



cutting through complexity

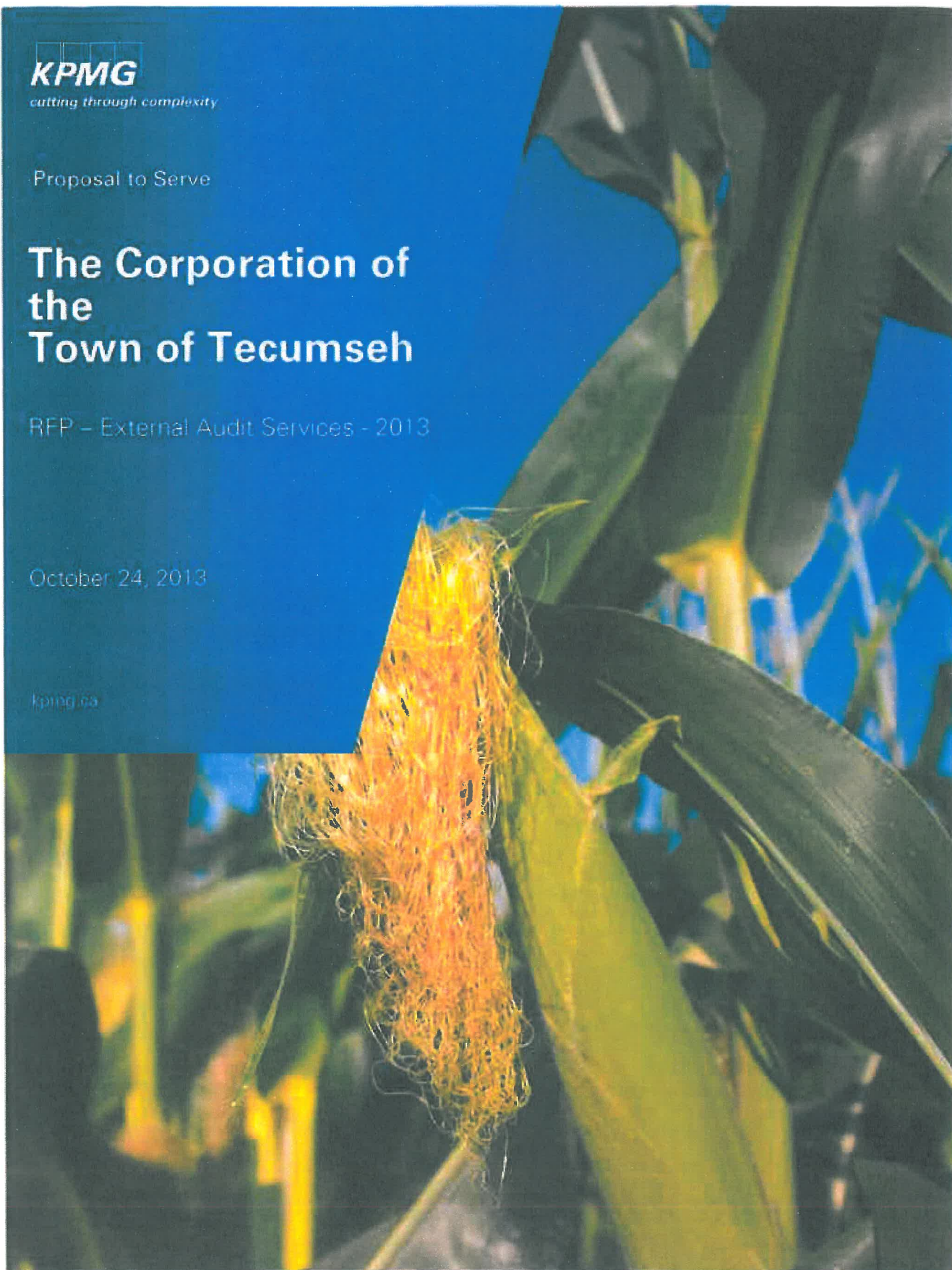
Proposal to Serve

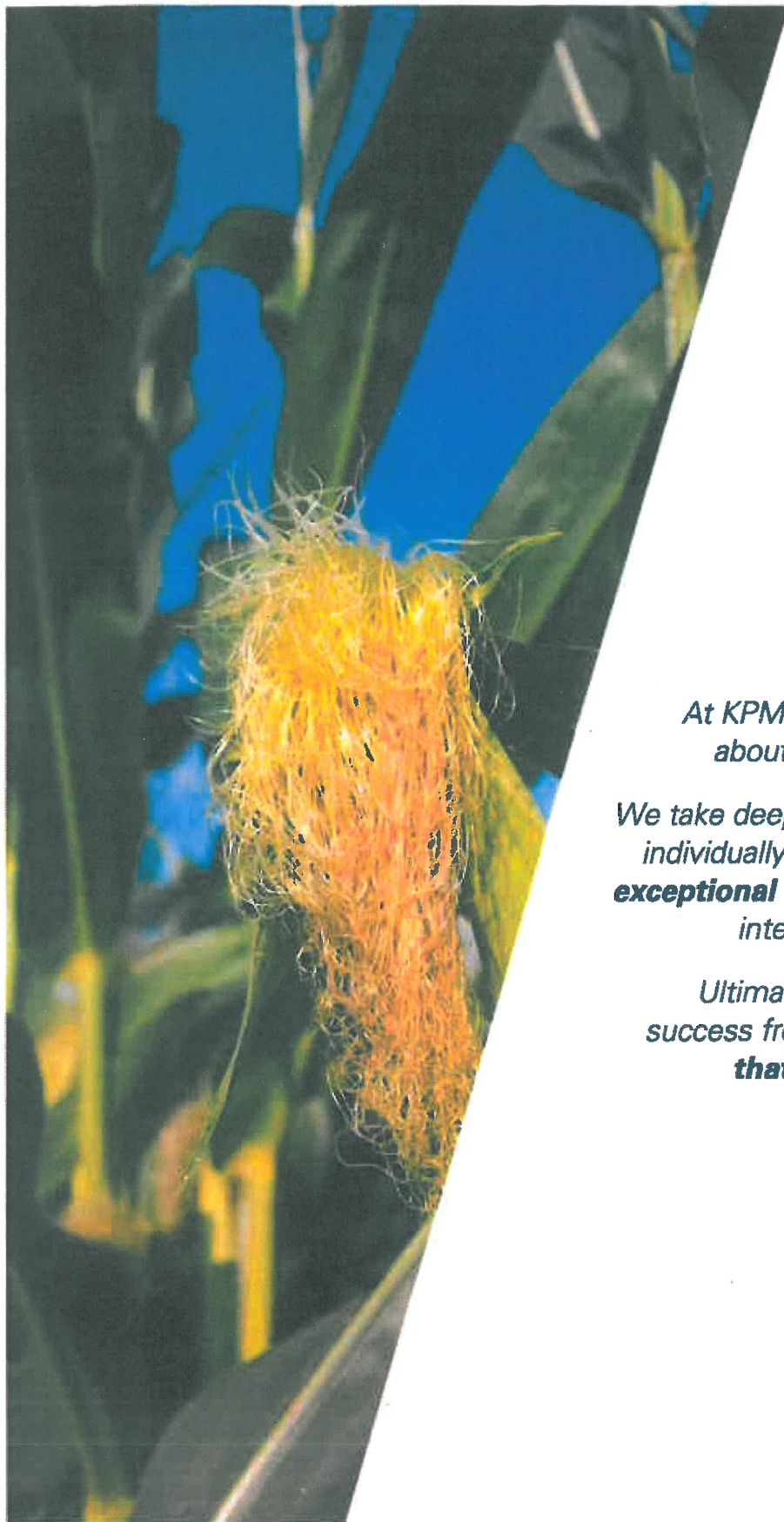
The Corporation of the Town of Tecumseh

RFP – External Audit Services – 2013

October 24, 2013

kpmg.ca





At KPMG, we are **passionate**
about earning your **trust**.

We take deep **personal accountability**,
individually and as a team, to deliver
exceptional service and value in all our
interactions with you.

Ultimately, we measure our
success from the **only perspective**
that matters – yours.



KPMG LLP
618 Greenwood Centre
3200 Daziel Drive
Windsor Ontario N8W5K8

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Mr. Luc Gagnon CPA, CA, BMath
Corporation of the Town of Tecumseh
917 Lesperance Road
Tecumseh, Ontario N8N 1W9

October 24, 2013

Re: Request for Proposals - External Audit Services - 2013

Dear Mr Gagnon,

I am delighted to submit our proposal to provide external audit services to the Town of Tecumseh ("the Town") for the five-year term commencing with the year-end of December 31, 2013. We are very enthusiastic about the prospect of working with the Town and thank you for the opportunity to show how KPMG is best suited to meet your external audit needs.

Running a local government can be much like running a business in the traditional sense. There are services to dispense, customers to satisfy, and costs to contain. And some professional advisors might approach the audit of the Town in the manner of a traditional business, applying a standardized methodology. Other firms might have a respectable understanding of the unique nuances of a municipal business structure. No other firm can match the hands-on, much sought after public sector resources of KPMG in Southwestern Ontario. We do not just understand your operating environment and financial reporting standards, we are specialized in this environment. We understand the budgetary reporting environment and how it interacts with PSAB reporting and the problems that can create. We have educated and developed our gurus who, in turn, educate others. We provide input into the accounting standards and requirements with which you comply. The Town deserves the best of the best in municipal auditing and PSAB accounting. Choosing KPMG means taking the business of the Town of Tecumseh to the next level.

We do realize that KPMG's size, dedicated industry gurus and the extent of our client base can be daunting to locally-based organizations. The perception is that we are not interested in the "small fish" but, the reality is: 1) We do not view any of our clients as fish and 2) We have a clear focus on small and mid-size public sector organizations. In fact, our public sector clients account for a significant portion of our client base in Southwestern Ontario. For the Town, our size simply means that **you will receive the high quality service and access to a variety of resources** that one would expect from a "Big Four" firm. Our dedication to, and appreciation for, our smaller to medium-sized clients means that you will never be a "small fish in a big pond."

We very much look forward to proceeding to the next stage of your selection process. As the main point of contact for the Town, I remain available to answer any questions you may have.

Please note that KPMG LLP is a limited liability partnership formed pursuant to the laws of Ontario. KPMG LLP does not have and is not required by law to have a corporate seal. I do have the authority to bind this proposal.

Yours sincerely,

A handwritten signature in black ink that reads "Cynthia Swift". The signature is written in a cursive, flowing style.

Cynthia Swift, CPA, CA, B.Math

Partner

(519) 251 3520



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Executive Summary

KPMG is pleased to submit this proposal to serve as external auditors to the Town of Tecumseh (the Town), and sees itself to be best suited to meet the requirements set out in your Request for Proposals (RFP). We have a solid understanding of the Municipal sector, and will provide an effective audit based on your key issues and concerns. We are committed to delivering a high quality, independent and objective audit, capitalizing on our knowledge of local government.

As the Town positions itself for the future, you will need external auditors and business advisors with a thorough understanding of your organization, its resources, the risks and opportunities it faces, and the accounting standards under which you operate. At KPMG, we understand the business relationship this involves, the results you require, and the importance of being familiar with key municipal and community issues. We will deliver practical and pragmatic advice directed towards making optimal use of resources, safeguarding key assets and identifying opportunities to improve controls. We commit to being proactive, as well as offering timely and quality service throughout the engagement.

Choosing KPMG

For Ontario municipalities, it has become increasingly important to demonstrate fiscal responsibility and public accountability to the people you service. Municipal governments in Southwestern Ontario in particular are continuously challenged to find solutions for economic development, infrastructure replacement and renewal, and minimizing tax increases while maintaining service levels. With the increasing challenges and pressures, the Town needs external auditors and business advisors with a thorough understanding of the issues, the risks and opportunities it faces, the limited resource with which you operate, and the accounting standards under which you operate. KPMG is that firm and we believe we are most suited for this assignment. Here's why:

Deep municipal sector experience in Windsor

KPMG proudly serves more local government organizations in Windsor, throughout Southwestern Ontario and across Canada than any other professional services firm. We are the audit leader in local government and municipal markets.

The skilled resources you need are all located in the Windsor office and you can be assured that all have the municipal experience required to meet your needs and bring tangible value to your audit. All audit team members receive in-house developed training on municipal auditing that covers the significant audit risk areas, common audit issues as well as municipal budgeting concepts and their interaction with financial reporting. Our significant Public Sector involvement and client experience will enable us to hit the ground running. We do not have to look beyond the local office to find the expertise required to complete your audit and assist you when challenges arise.

Our firm has made a commitment to industry specialization and to keeping informed of the latest techniques, legislation and other service opportunities. Because municipalities are a significant segment of our Public Sector practice, we have extensive local and national experience in Public Sector Accounting Board (PSAB) Standards. We approach industry issues from your perspective, not ours, and will work with you to take advantage of emerging opportunities and to create sustainable business development strategies. For example, a number of municipalities have undertaken a review of their user fee rates in order to mitigate property tax impacts of providing municipal services, ensure compliance with legislation and ensure rates reflect the "true" costs of the service. KPMG has provided assistance to a number of municipalities in conducting such reviews. Our approach ensures any proposed rates are consistent with benchmarked standards and the expectations of community stakeholders while performing a comprehensive review of current rates, policies and legislation. We would be pleased to discuss how we can assist the Town in conducting such a review of its user fees.

A tailored municipal audit approach

The most successful audit comes from a co-ordinated effort between the client and the auditor. KPMG will maintain regular contact with the Town's Administration throughout the year, and when appropriate, Council, ensuring timely identification of and action on any issues.

Our proposed audit approach demonstrates our knowledge of the local government sector. It focuses our work on your key operational cycles: taxation and user charges, government transfers, budgeting and procurement, tangible capital assets and human resources and payroll. We focus on the areas of greatest risk, which means that we are not wasting your time on matters that are not significant. Our experience serving local governments means we understand the issues you face, including growth opportunities and challenges, infrastructure renewal, shared service opportunities and full cost recovery models for rate setting. Our familiarity with these issues gives us a unique perspective and the ability to provide the Town proactive assistance with new initiatives, issues and opportunities. We understand the impact of the financial reporting changes experienced with the transition to tangible capital asset accounting. We have worked with our clients to prepare financial statements that present the Municipality's financial information in a manner that can be understood by the users of the financial statements. We have assisted our clients with developing financial reporting processes that streamline the collection of financial information and leads to a smoother, less time-consuming financial statement preparation process. Our service approach stresses knowledge sharing, timely communication, value-added feedback, and no surprises.

Wide range of resources and support services

Beyond the audit, KPMG can bring added value to the Town through our additional resources and support services. Today's competitive and challenging business and economic environment is forcing municipalities to take a harder look at their support functions with an eye to reducing costs, increasing service efficiency and quality, overcoming impediments to growth and improving organizational agility. KPMG has the technical skills, sector-focused teams, and resources to provide the in-depth advice and insight that today's public sector requires. Additional resources to the team, **Janice Cardinali (commodity tax)** and **Roger Bryan (public sector advisor)** have significant experience in serving municipal clients. Janice has assisted his municipal clients with obtaining HST/GST refunds and defending their positions with CRA during HST audits. Roger has worked with a number of municipal clients advising on governance design and relationships, policy, organizational assessment, design and effectiveness, strategic planning, service delivery reviews and continuous improvement projects.

Value for fees

KPMG is determined to keep its fees competitive as well as consistent with the high quality of services we provide. Our success in leveraging this balance from other engagements demonstrates KPMG's position as a leading auditor and advisor to municipalities. We aim to deliver an effective and efficient audit and concentrate our audit efforts on your key issues. We will proactively identify opportunities relating to your operations, business processes and financial reporting, and will provide the best possible advice.

Our team is committed to delivering exceptional service and value to the Town—we want to serve you!



1. Eligibility

	Criteria For Assessment	Page #
a)	Provide satisfactory evidence that the partner(s) is licensed as a Public Accountant under the Public Accountancy Act;	Please refer Appendix B for a copy of the engagement partner's license.
b)	Provide a list of the firm's current and prior municipal clients indicating the types of services performed, the number of years served for each and the local office which served each client, include names and telephone numbers of senior staff of these municipalities that may be contacted as references;	Please see pages 9 and 11 for a client list and references.
c)	Describe your approach to the audit. This should include at least the following points: <ul style="list-style-type: none">• Type of audit program used (general, municipal standard, etc.);• Members of the audit team and approximate percentage of time spent on the audit by each member;• Audit time schedule.	Please see pages 17-23
d)	Indicate the number of people, by level, located in the office assigned to the audit.	Please see page 7



2. Audit personnel technical qualifications

KPMG is confident that the quality and skills of each member of our team greatly add to the value of our audit. We carefully staff our engagements with professionals selected for their relevant technical qualifications, strong municipal credentials and track record in helping municipalities meet a variety of challenges similar to the Town's.

We are passionate in what we do and look forward to showing the Town of what we can do for you and begin by introducing your KPMG team below.



Cynthia Swift, CPA, CA – Lead Engagement Partner

Tel : (519) 251 3520 | caswift@kpmg.ca

Role: Cynthia will have overall responsibility for KPMG's services to the Town. She will coordinate all services and ensure your timely access to resources and will assume responsibility for the quality, timeliness and effectiveness of KPMG's service. She will maintain contact with Administration to keep informed of your activities and plans and she will attend such meetings as required to keep you abreast of our work. She will ensure Administration and Council are informed of the progress of the audits and the results of all audit findings.

Why Selected: Cynthia is an Audit Partner in our Windsor office with 23 years of public sector experience. Cynthia is involved in the audits of a number of medium to large clients including, areas of local government, hospitals and not-for-profits and works with PSAB accounting principles on a regular basis. Her municipal clients include:

- The City of Windsor (various Boards and Commissions) – Engagement Partner – 5 Years
- County of Essex – Engagement Partner – 10 Years
- Town of Lakeshore – Engagement Partner – 3 Years

Cynthia's other relevant clients include Enwin Utilities, ELK Energy Inc., the Greater Essex County District School Board, University of Windsor, Windsor-Essex Children's Aid Society and Foundation, John McGivney Children's Centre and School Authority, Erie St. Clair Community Care Access Centre, Sexual Assault Crisis Centre and Hiatus House.

Cynthia is the Windsor office's Financial Instrument specialist. She also participates in KPMG's internal Quality Performance Review program as a reviewer. This involves completing a peer review of another office's audit files to ensure they meet with our firm's audit quality standards. She is a People Leader in the Windsor office and the Chair of the Windsor office Community Leader 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.

Professional Qualifications and Education

- B. Math, University of Waterloo
- Chartered Accountant, Ontario



Nick Thomas, CPA, CA – Engagement Quality Control Review Partner

Tel: (519) 251 5212 | nkthomas@kpmg.ca

Role: Nick will review selected reports and other information on which KPMG provides an opinion or attests to, helping to ensure that the form, content and disclosure meet the latest firm and professional standards. In addition, He will conduct a quality review of the engagement file and will serve as an additional senior resource to the Town.

Why Selected: Nick is an Audit Partner and Office Managing Partner in our Windsor office with over 24 years of significant public sector and not-for-profit experience. His municipal clients include:

- The City of Windsor – Engagement Partner – 20 Years
- Town of LaSalle – Engagement Partner – 23 Years

Nick also services as engagement partner for the University of Windsor, Windsor Essex Community Housing Corporation, Windsor Regional Hospital and Hotel-Dieu Grace Hospital. He is currently the Local Office Leader for recruiting and professional development matters. He is also the Treasurer of the Canadian Mental Health Association – Windsor Branch, member of the Circle of 7 and Treasurer of Windsor-Essex Gift of Life Association.

Professional Qualifications and Education

- B. Comm., Honours, University of Windsor
- Chartered Accountant, Ontario



Lorie Gregg, CPA, CA – Audit Senior Manager

Tel: (519) 251 3525 | lgregg@kpmg.ca

Role: Lorie will be responsible for ensuring that the audit strategy and the detailed procedures developed by the team are properly executed and completed on a timely basis, as per your requirements.

Why Selected: Lorie has spent 13 years with the County of Essex audit team and has been involved with the City of Windsor, including several related entities for several years. She has developed an in-depth knowledge of the PSAB requirements.

- The City of Windsor– Senior Manager – 7 Years
- County of Essex– Senior Manager – 13 Years
- Town of Lakeshore – Senior Manager – 3 Years

Additional public sector clients include Enwin Utilities, ELK Energy Inc., Windsor Essex Community Housing Corporation, the Essex-Windsor Solid Waste Authority, the Town of Lakeshore, Windsor Essex Children's Aid Society, Greater Essex County District School Board and the University of Windsor. Her responsibilities have included advising clients on accounting and financial reporting matters, performing financial and systems analysis, conducting external audits and evaluation of financial statements.

Professional Qualifications and Education

- B. Comm., Honours, University of Windsor
- Chartered Accountant, Ontario

Additional Resources



Janice Cardinali – Senior Manager, Indirect Tax

Tel- (519) 747 8833 | jcardinali@kpmg.ca

Janice is a Senior Manager in our Indirect Tax practice. In her 16 years of practice Janice has worked with a broad cross section of businesses and public sector organizations working to provide common sense solutions to the challenges inherent in the dynamic field of sales tax.

During the transition to HST, Janice served as a trusted advisor for several municipalities in Southwestern Ontario. Her experience at the municipal level includes comprehensive reviews of rates and fees, training sessions for staff, contractors and other stakeholders in the community, preparing ruling requests and liaising with staff to find common sense solutions to everyday tax problems. She has also assisted national private companies in staff training, software implementation and developing sound and compliant HST reporting from coast to coast. Her areas of expertise include identifying compliance issues, negotiating settlements to audit assessments, recovery of overpaid sales and excise taxes and minimizing the costs of compliance. Through much of her career Janice has worked with participants in the public sector in identifying ways to minimize commodity tax obligations within the confines of Canadian and Provincial legislation.



Roger Bryan, MBA – Senior Principal, Advisory

Tel:(519) 251 3501 | rogerbryan@kpmg.ca

An Associate Partner and member of our Ontario Performance & Technology Advisory Services practice, Roger has management advisory experience with public sector municipal government, not-for-profit, hospitals and university entities in the areas of strategic thinking and implementation, business process improvement, group problem-solving facilitation and implementing and sustaining organizational change.

Some of Roger's clients have included: the Town of LaSalle, the Town of Essex, the Windsor and Essex County Land Ambulance Service, the Windsor Public Library, the County of Essex, the City of Windsor, Hotel Dieu Grace Hospital, the Windsor Police Department, the Erie St. Clair LHIN and the University of Windsor.

Maintaining continuity of our engagement team

We appreciate the importance you place on staff continuity to your operations. At KPMG, we find it to be a winning condition for efficient and consistent service. It is also the foundation for a good working relationship with you and your team throughout the engagement. We do our best to maintain the same team members on the audit from beginning to end and year over year.

If a change is unavoidable, we will draw from our pool of professionals to bring in a new team member with comparable experience. We will discuss staffing with you during our audit planning meetings each year, with an objective to satisfy any concerns you might have about the team. We will promptly inform you of any staffing changes that may arise and will seek your approval where possible.

Specialized skills and training

All of our proposed team members have experience in a number of functional areas that we expect will be critical to the overall conduct and success of this project, including:

- **Presentation skills** – Each of the team members has extensive experience preparing and delivering concise presentations to various entities including Administration and Audit Committees and Boards of Directors.
- **Interviewing skills** – Training has been provided on interview guide development, development of interview questions, interview preparation techniques, interviewing skills and post-interview procedures, including follow-up and documentation standards;
- **Risk assessment** – Team members have been trained in risk assessment procedures for the purpose of measuring and prioritizing risks on the basis of likelihood and impact. They also have experience in developing and conducting risk assessment surveys and interviews as a means of identifying and prioritizing risks.
- **Data analysis** – The team has skills in analyzing data qualitatively, through comparison to best practices and industry standards, and corroborating data with other known conditions, as well quantitatively, including performing various quantitative techniques including various statistical analyses such as trend analysis, ratio analysis, reasonableness testing and data extrapolation.
- **Report writing** – Key team members have extensive experience in the planning and preparation of audit, evaluation and Administration consulting reports. We place great importance on making sure that our reports are well organized, with findings, conclusions and recommendations clearly presented and communicated using plain English.

Office assigned to the audit

The audit for the Town of Tecumseh will be conducted from our **Windsor office** located at 618 Greenwood Centre, 3200 Deziel Drive Windsor, ON N8W 5K8.

KPMG LLP has offices in 34 locations across the country comprising approximately 725 partners and more than 5,500 employees. We are the Canadian member firm of KPMG International, whose member firms together have 152,000 people including more than 8,100 partners in 156 countries.

Locally, we provide a full range of audit, tax and advisory services to clients in a variety of industries in Windsor and the surrounding areas. KPMG's Windsor clientele represents a variety of industries, sizes and corporate structures and is a mixture of privately owned companies, public corporations, not-for-profit organizations and the public sector.

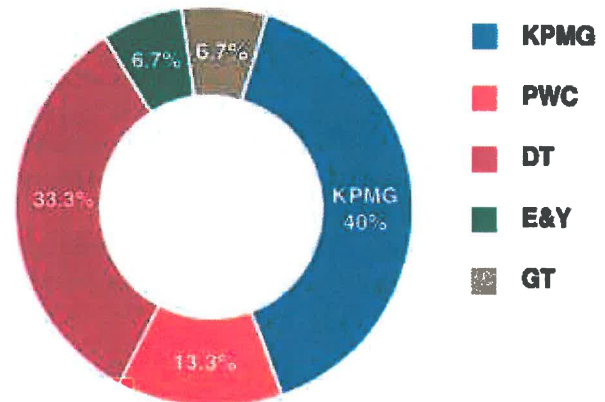
The following table outlines the resource allocation in the Windsor office:

Staff	Advisory	Audit	Tax	Local Admin/NSS	Total
Partner/Associate Partner	1	3	4	-	8
Senior Manager	-	4	3	-	7
Manager	-	2	5	1	8
Specialist	-	-	4	-	4
Senior & Staff Accountant	-	13	1	-	14
Administrative	-	1	2	2	5
Senior Staff/Supervisory	-	-	-	1	1
TOTAL	1	23	19	4	47

Municipal audit experience

For Ontario municipalities, it has become increasingly important to demonstrate fiscal responsibility and public accountability to the people you service. Municipal governments in Southwestern Ontario in particular are continuously challenged to find solutions for economic development, infrastructure replacement and renewal, and minimizing tax increases while maintaining service levels. With the increasing challenges and pressures, the Town needs external auditors and business advisers with a thorough understanding of the issues, the risks and opportunities it faces, the limited resources with which you operate, and the accounting standards under which you operate. KPMG is that firm and we believe we are most suited for this assignment.

You need external auditors who know the public sector and understand the challenges you face in planning and financing a local government. You need a trusted advisor who can support your business agenda. KPMG is that firm. KPMG has a market share of 40% within the Public Sector – **more than any other firm** – and we are a leading auditor of municipalities across Ontario. The firm and our proposed team have extensive local and national experience in Public Sector Accounting Board standards, information risk management, tax and other issues as these relate to municipalities. The Town will receive the benefit of this market leadership: access at all times to knowledgeable professionals who meet your deadlines; the right answer the first time on technical matters; and professionals with a wide range of audit, accounting and specialized expertise – in local government. We work with local government officials every day, understand what makes local government unique, and have a clear understanding of the legislative framework within which you operate.



Source: FP 600, RoB Public 1000, RoB Private 350, 2012

As one of the country's leading accounting firms, KPMG is committed to bringing thought leadership to the public sector. We work with several organizations representing the interests of financial professionals in the public sector, and are active in several trade associations through our participation in various government and industry conferences and events.

Our clients

Locally, approximately 33% of our Audit practice is dedicated to serving clients in the Public and Not-For-Profit sectors. We have an extremely deep "bench" when it comes to providing public accounting and advisory services to these extremely important sectors. This is further enhanced by our ability to draw upon other professionals throughout Southwestern Ontario that are equally experienced in providing professional services to these sectors.

KPMG has a nationwide practice of partners and other professionals committed to serving the public sector including municipalities, and who receive industry-specific training at all levels of service. Their in-depth knowledge and experience enables us to provide the Town with insights firmly grounded in understanding the business challenges of the current economic environment and the municipal sector. This group of professionals meets via teleconference on a regular basis to share insights. Your team members participate in these calls.

The table below lists a selection of our Southwestern Ontario municipal clients, the local office that serves the client, and the services provided. **This information is not to be disclosed without prior written consent by an authorized representative of KPMG LLP.**

Client	KPMG Office	Years served	Services performed
Blue Mountains, Town of the	Waterloo	New	A
Bluewater, Municipality of	Waterloo	3	TCA
Centre Wellington, Township of	Waterloo	8	A, AD, GST
Dufferin, County of	Waterloo	1	A
Essex, County of	Windsor	20+	A, Ad, GST
Fort Erie, Town of	Niagara	1	TCA
Halton, Region of	Hamilton/Niagara	17	A, Ad, GST, TCA
Halton Hill, Town of	Hamilton/Niagara	2	A, Ad, GST, TCA
Hamilton, City of	Hamilton/Niagara	New	A, Ad
Howick, Township of	Waterloo	1	TCA
Huron, County of	Waterloo	3	TCA, Ad
Kitchener, City of	Waterloo	8	A, Ad
Lakeshore, Town of	Windsor	3	A
LaSalle, Town of	Windsor	50+	A, Ad
Lincoln, Town of	Hamilton/Niagara	30+	A, Ad, GST, TCA
London, City of	London	14	A, Ad, TCA
Middlesex, County of	London	6	A, GST, TCA
Milton, Town of	Hamilton/Niagara	5	A, Ad, TCA
Morris-Turnberry, Township of	Waterloo	1	TCA
Niagara, Region of	Hamilton/Niagara	21	A, GST, TCA
Niagara-on-the-Lake, Town of	Hamilton/Niagara	1	A, Ad, GST
Oakville, Town of	Hamilton/Niagara	4	A, Ad, TCA
Oxford, County of	Waterloo	3	TCA
Thames Centre, Municipality of	London	5	A, TCA, GST
Waterloo, City of	Waterloo	9	A, Ad, GST
Wellington, County of	Waterloo	8	A, Ad
Windsor, City of	Windsor	50+	A, Ad
Woolwich, Township of	Waterloo	10+	A, Ad, GST
LEGEND A - Audit and Accounting Services Ad - Advisory Services – PSAB 3150, Policy, Strategic Planning, Program Evaluation, Performance Measurement, Operations Review, or other GST - Indirect Tax Services – Goods and Services Tax, Provincial Tax, Workplace Safety & Insurance Board (WSIB), etc. TCA - Tangible Capital Assets			

Particular strengths relevant to the audit

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 therefore offer an extensive portfolio of in-house training programs to our professionals, covering business, legislative and financial matters unique to the public sector and not-for-profit sector. In addition, we regularly issue internal publications to keep our people up-to-date on changes in accounting, auditing, tax and other matters of special concern to local governments.

This commitment to professional development helps us understand the challenges of your environment, can help you take advantage of new opportunities, and allows us to deliver the highest quality service to the Town. Our dedicated professionals will also share with you their knowledge on technology and emerging business, legislative and accounting issues that may affect your organization, such as PSAB developments.

We work with organizations representing the interests of financial professionals in the public sector, and are active in several trade associations, conferences and events including:

- **Public Sector Training** – KPMG professionals have developed course materials for several of the provincial Institutes of Chartered Accountants relating to government financial reporting based on the standards and principals set out in the Public Sector Accounting Board (PSAB) standards. Our professionals also deliver this training on behalf of many of the provincial Institutes, and serve as board members and participate on various task forces.
- **Public Sector Accounting Board (PSAB)** – KPMG is represented on the Public Sector Accounting Board and many of its task forces and committees. This allows our team members to gain access to the views and trends in PSAB accounting standards and bring those views forward to the benefit of our clients, solicit their feedback and provide early warning for coming changes.
- **The Government Finance Officers Association (GFOA)** – For years, KPMG has attended and provided speakers at GFOA's annual conferences. Several KPMG partners act as reviewers for GFOA's Canadian Award for Financial Reporting (CanFr) program for excellence in financial reporting. As the leader in auditing and advising large governments in North America, we have been frequent exhibitors of products and services at GFOA events.
- **The Municipal Finance Officers Association (MFOA)** – KPMG is a founding member of MFOA and has provided speakers on a variety of subjects such as Electricity Restructuring and Fraud Awareness. KPMG became the MFOA's external auditors effective with its 1999 fiscal year. MFOA's annual conference is attended by KPMG members, and we are a sponsor.
- **Association of Municipalities of Ontario (AMO)** – KPMG has been the external auditor of AMO for the last several years, and has been a sponsor of its annual conference.
- **Association of Municipal Managers, Clerks and Treasurers of Ontario** – In addition to being the external auditors of the Association, KPMG has been involved in many of its programs for more than 15 years and has been a sponsor of recent conferences and seminars.

Knowledge of provincial municipal financial reporting requirements

KPMG's leading municipal audit market share translates into bench strength for the Town's audit. Locally, we have skilled municipal auditors at all levels, available to deliver an effective audit on time. The team we propose also has over 50 years of combined experience with PSAB Standards and have served a number of local government clients for a number of years. The team understands the difference between the reporting framework used in the budget and the PSAB framework used for the external audited financial statements. These differences can present challenges in the year end financial reporting process. Our team for the Town is able to assist you with these challenges and propose solutions that are acceptable under both frameworks. We bring relevant experience to the table to assist you with the completion of your year end financial reporting on a timely basis.

References

We feel proud of our contributions to our clients in the local government sector. We encourage you to contact any of the following references to gain further insight into the level of service that you can expect to receive from KPMG.

County of Essex	
Contact name and title	Mr. Robert Maisonville, Director of Corporate Services/Treasurer
Address	360 Fairview Avenue West, Essex ON N8M 1Y6
Phone number	(519) 776-6441

Town of Lakeshore	
Contact name and title	Ms. Sylvia Rammelaere, Director of Finance & Performance Services
Address	419 Notre Dame Street, Belle River ON NOR 1A0
Phone number	(519) 728-5009 ext. 226

Town of LaSalle	
Contact name and title	Mr. Joe Milicia, Director of Finance/Treasurer
Address	5950 Malden Road, LaSalle ON N9H 1S4
Phone number	(519) 969-7770 ext. 224



3. Statement of guarantee

Through our submission of this proposal document KPMG is indicating acceptance of the conditions contained in the Request for Proposal.

Cynthia Suyst

October 24, 2013

Signature of Authorized Signing Officer

Date



4. Fees and expenses

As professional service providers, we understand your concern to maximize value for the fees you pay. We strive to keep fees at the lowest possible level consistent with high professional standards. We believe value translates into providing high quality service, bringing experience directly related to your activity sector and assigning the best people for the engagement. At KPMG we commit to meeting your deadline and consistently identifying ways for greater efficiency.

Our proposed fees

Our proposed fees reflect our strong desire to serve as external auditors to the Town. Our fees for five years ending on December 31, 2017 are detailed as follows:

Entity	2013	2014	2015	2016	2017
The Town of Tecumseh	\$19,000	\$19,000	\$19,400	\$19,800	\$20,200
Federal Gas Tax Revenue	\$750	\$750	\$765	\$780	\$800
The Business Improvement Area (BIA)	\$750	\$750	\$765	\$780	\$800
Total	\$20,500	\$20,500	\$20,930	\$21,360	\$21,800

Our proposed fees do not include taxes (HST), but are inclusive of all out-of-pocket expenses as this will be considered a local audit. Our fees are billed as the engagement progresses, starting with the interim work.

Our proposed fees assume that we will receive full cooperation from your staff and that all necessary information will be in order for us to deliver our audit opinion. It is further expected that any accounting issues identified during our initial meeting will be resolved before the start of the engagement and that our team will encounter no major accounting or auditing problems during the engagement. 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.

We will track actual time spent on each major audit task and submit to the Director of Financial Services, if requested, upon the completion of the audit, a schedule comparing the actual audit time spent with the time budgeted. If less time is required to perform the audit a fee reduction will be given to the Town or any other entity requiring audit services.

Adding value to the Town from the start

KPMG will absorb all costs associated with making the transition from your current auditor. We are also offering a \$1,000 credit towards any Advisory services performed within the first three years of our appointment.

Estimated Hours

The following table summarizes our estimate of the level of effort required for the audit, broken down among the various responsibilities we have identified and the category of staff assigned to each responsibility.

Section	Partner	Senior Manager	Staff	Total
Planning & Strategy	2	3	7	12
Control Evaluation	1	2	8	11
Substantive Testing	5	8	100	113
Completion	4	4	5	13
Financial Statements	5	5	10	20
Council Meetings	3	3	-	6
TOTAL	20	25	130	175

Fees for special services

In the future, you may also require other services and resources from KPMG that fall outside the scope of this engagement. When required, we will discuss and agree upon the scope, timing and related fees associated with any of these engagements in advance with the Town before starting the work.

Fees for special services would be billed on a project-by-project basis as services are provided.



5. Proposal expiry date

Through our submission of this proposal document we are committing to the terms and conditions of the Request for Proposal. We further commit that the proposal is open for acceptance up to 60 days i.e. December 14, 2013.



6. Accessibility

Accessibility to KPMG's Windsor office

The Windsor office will be responsible for the provision of audit services and is located at:

KPMG LLP

618 Greenwood Centre,

3200 Deziel Drive

Windsor, ON N8W 5K8

Telephone (519) 251-3500

Fax (519) 251-3530

KPMG understands the importance of accessibility to our clients. This goes beyond your ability to reach us via phone or email throughout the day. We are in close proximity to the Town of Tecumseh and we are committed to performing our audit fieldwork and review on-site, as well as being available for on-site meetings.



7. Audit firm technical qualifications

KPMG's commitment to integrity demands that we be vigilant in ensuring our audit complies with changing regulations and applicable professional standards and has us in the forefront of adopting the new rules intended to rebuild confidence in financial reporting. Our methodology is designed to meet all applicable national and international standards and guides us in our goal of bringing the Town a high quality, independent and rigorous external audit.

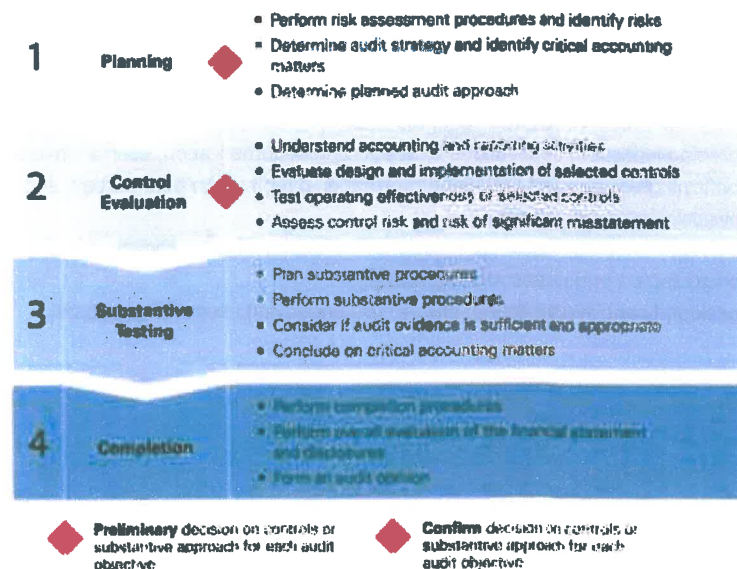
Audit quality is our top priority

We perform our audits in accordance with Canadian generally accepted auditing standards (GAAS) and other relevant national standards, such as those adopted by members of the Canadian Institute of Chartered Accountants (CICA) as appropriate. Our methodology also emphasizes the critical nature of substantive procedures and effective risk assessment and control testing activities, with every aspect of the audit focusing on a rigorous examination of your financial statements, namely:

- The risks that can affect financial statement captions
- The audit procedures to address these risks
- The areas of higher risk for misstatement
- The effectiveness of internal controls at mitigating these risks
- How closely the transactions and balances are calculated and recorded.

Our external audit takes a multidisciplinary approach, employing professionals experienced in the Municipal sector and specialists in information risk management, taxation, forensic services, and other advisory services.

Members of our team are also required to have a strong understanding of the Town's business processes, accounting policies, internal controls and financial reporting issues, and each is committed to meeting and even exceeding your expectations.



Audit planning

Our methodology begins with the development of our audit plan, which is based on obtaining a thorough understanding of the Town's business and environment and significant issues and risks. Based upon discussions with your Administration and drawing upon our municipal knowledge, we will assess risk at the financial statement level and identify assertion level risks related to the identified significant accounts. We will evaluate the design and implementation of entity-level controls for each municipal entity. Each year, this understanding is updated in light of current developments. Specifically, we may consider your:

- Financial reporting framework
- Accounting policies and practices
- Financial performance
- Internal controls.

Control evaluation

Using a structured approach, we may evaluate controls in order to assess the risk of material misstatement for each significant account. Our control evaluation includes:

- Evaluating the design and implementation of organization-wide controls, including the entity-level and general IT controls. The results of this work will determine the nature and extent of our testing in the substantive testing phase of our audit
- Understanding the relevant accounting and reporting activities for each significant account. For transactions processing, we look for significant risk points – places where errors could occur
- Evaluating selected controls over the significant risk points where material misstatements may occur
- Evaluating and testing selected anti-fraud controls that have been implemented
- Testing the operating effectiveness of selected controls
- Performing a "walk-through test," tracing a transaction through the accounting activities and selected controls, to confirm that we understand how your accounting activities and controls work.

Substantive testing

In this phase, we perform substantive audit procedures, both analytical and sampling, around balances and transactions required to supplement our control testing. We assess the information gathered, develop an assessment of residual risks that may affect the financial statements and design additional audit procedures as necessary. We will conclude on critical accounting matters and assess whether the financial statements of the Town as a whole reflect our understanding of the Town's operations, and comply with the applicable laws, regulations and standards. Our testing may include:

- Using analytical procedures designed to confirm our expectation of an overall balance
- Agreeing individual transactions to supporting documentation, such as invoices
- Confirming balances and relevant information directly with third parties, such as banks
- Physically inspecting assets
- Verifying the objectivity of assumptions, the quality of data, and the calculations underlying accounting estimates
- Concluding on critical accounting matters
- Checking financial statements back to the underlying accounting records.

Completion

We review the financial statements and determine whether the audit evidence obtained for each significant account reduces the risk of material misstatements in the financial statements to an acceptably low level. We form conclusions on specific topics, such as litigation and claims, and prepare a final evaluation of fraud-related matters.

A summary of our significant findings and matters identified helps us determine trends and potential Administration bias. Our audit opinion is based on a review of the final financial statements and an evaluation of all audit evidence. The summary addresses matters such as:

- The selection, application, and consistency of accounting principles, including related disclosures
- Significant and other deficiencies in internal controls over financial reporting
- Material misstatements and omissions in financial statements;
- Circumstances that caused significant difficulties in applying audit procedures
- Significant findings and issues, such as those related to critical areas of judgment
- Significant changes in the assessed level of audit risk.

Our audit opinion is based on a review of the final financial statements and an evaluation of all audit evidence in accordance with Canadian auditing standards.

Qualified statements

We confirm that immediately, upon discovery of information or conditions which would otherwise lead to the inclusion of a statement of qualification with respect to the financial statements, we will inform and fully discuss such matters with the Director Financial Services. In addition, we will allow a reasonable period of time to investigate, analyze, report and take such corrective action as to avoid the inclusion of such a qualification.

Sampling methods

We determine the extent of testing based on our professional judgment, our assessment of risk, the effectiveness of controls over business processes, and the dollar materiality of the transactions or balances subject to testing. Generally, material non-routine and complex balances or transactions are singled out for scrutiny. Statistical sampling (monetary unit sampling) or other representative sampling techniques are reserved for material account populations to obtain assurance over the integrity of the systems that generate the account balance. In our audits of municipalities, we tend to utilize statistical sampling techniques in the areas of user charges and tangible capital assets.

Communications and deliverables

Our reporting function goes beyond the auditors' report. When we complete the audit, we will hold a closing conference with Administration to review our draft auditors' report, the financial statements and management letter, discuss accounting policies, disclosure items and adjustments, as well as unadjusted and corrected audit differences, and review the respective performance of the Town and KPMG staff during the course of the audit.

We will provide you with deliverables at various stages throughout the audit. The appropriate timelines will be established in conjunction with your internal reporting deadlines. Key deliverables will include:

- **Audit Planning Report** – We will present this report to Council during the planning phase of the audit. This report includes an overview of how we will approach the audit and any key issues we have identified to-date. Should any issues be identified at this stage, they would be communicated to the Town formally through the Audit Planning Report or if appropriate, informally through oral or other written communications. The Audit Planning Report will be provided to the Director of Financial Services/Treasurer and Chief Administrative Officer for review prior to its distribution to Council. The presentation of this report is not something that all auditors do, but something that we find extremely beneficial for Council as it allows them a chance to understand our work and provides them an opportunity to identify any issues they have at the planning stage of the audit.

- **Audit Findings Report** – We will present this report to Council prior to issuing the financial statements, which summarizes the key issues encountered and addressed during the audit, as well as any audit differences, control deficiencies, and performance improvement observations that we identified. The Audit Findings Report will be provided to the Financial Services/Treasurer and Chief Administrative Officer for review prior to its distribution to Council.
- **Year-End Reporting** – Our annual audit report on the financial statements of the Town will indicate whether they have been fairly presented in accordance with Canadian Public Sector Accounting Standards. Our year-end reporting will also include the audit reports covering the BIA and Gas Tax audits associated with the Town.
- **Management Letter** – Our management letter will include our findings relating but not limited to governance, business risk management, internal control, and information systems. Our letter describes any control deficiencies and performance improvement observations noted during the course of our audit, along with our recommendations for improvement. Where appropriate, the details of our management letter are included as part of the Audit Findings Report, as noted above.

In summary, the KPMG audit approach means effective and efficient auditing. It provides our audit team with an overall view of your operations so they can make timely, practical suggestions for dealing with your financial, operating, and administrative challenges.

Computer use in the auditing process

Our audit is supported by an array of software applications our professionals use to enhance their effectiveness and productivity. These include:

- **eAudit** – a global electronic audit management tool created by KPMG to provide the methodology, guidance, and industry knowledge needed to perform the most efficient, highest quality audit possible
- **IDEA** – a powerful, data management tool that allows audit personnel to manipulate data to extract content with common criteria.

Our Information Risk Management professionals also have a powerful set of other proprietary and vendor-based automated data analysis and IT audit tools to assist in the identification and assessment of controls and data retrieval for a wide variety of systems.

Audit team and percentage of time spent

KPMG's audit approach also calls for greater involvement by senior professionals than a traditional audit. It is our policy that our audit senior and field staff be present at our client's location throughout the majority of the audit fieldwork. Partner and manager reviews will also primarily be conducted at your location. Performing such reviews in the field results in more efficient and effective completion of the audit engagement and contributes to improving lines of communication with our clients.

Below is our estimate of the approximate percentage of time spent on the audit by each staff level assigned:

Engagement Partner	Manager	Senior Accountant	Staff Accountants
11%	14%	40%	35%

Audit time schedule

Adherence to requirements outlined within your RFP and the annual schedule will be an essential feature of satisfactory performance under the audit contract. Together we will construct a plan to the appropriate level of detail to meet your desired timetable. We find that the initial planning meeting, when we cover more detailed scheduling of the audit, helps synchronize our timing and confirms that it meets the deadline dates as specified annually.

An important element in meeting our deadlines is the support we receive in terms of the agreed upon audit schedules and draft financial statements. Before November of each year, we will meet with your Administration to define a schedule of joint activities. It will set out:

- The important key dates by which necessary information is to be assembled by both parties
- A list of all the necessary schedules, working papers, analyses and other information to be prepared by the Town staff.

Based on our understanding of your financial reporting requirements, the following chart identifies our preliminary audit timing schedule:

Event	Timetable
Pre-Audit Meeting	October (November in 2013)
Interim Audit	November
Detailed Audit Plan and Schedule	November
Listing of Schedules to be completed by the Town staff	November
Year-End Audit	March - April
Audit Report and Management Letter to the Director of Financial Services/Treasurer and Chief Administrative Officer	May
Audited statements to Town Council	May

We are confident in our ability to meet your schedule. Our audit team is focused solely on providing audit services throughout this period and will therefore dedicate the time and energy to completing the audit and the financial statement reporting.

Quality Control

Audit quality, and the respective roles of the auditor and Town Council, is fundamental to the integrity of financial reporting in our capital markets. This is why audit quality is at the core of everything we do at KPMG. And we believe that it is not just about reaching the right opinion, but how we reach that opinion. To help ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

Our own professional standards dictate technical requirements for reaching and communicating an audit opinion. And we live and abide by these requirements. We invest heavily in our quality, and the Audit Quality Framework helps ensure these investments are the right ones—that they help us continuously drive and maximize our quality improvements. KPMG member firms across the world use this audit quality framework to describe, focus on and enhance audit quality for the benefit of the entities we audit and in support of the efficacy of our capital markets. It is our hope that sharing our vision of what audit quality means is a significant step in building confidence in the value of our audits

The independence, judgment and professional skepticism of your auditors add value to your financial statements, and we believe it is important to be transparent about the processes we follow to develop a KPMG audit report. We want you to

have absolute confidence in us and in the quality of your audit. The framework comprises seven key drivers of audit quality.

The seven key drivers of audit quality

Driver	What it does	What it means to you
Tone at the top	<p>Audit quality is part of our culture and our values and therefore non-negotiable</p> <p>Allows the right behaviours to permeate across our entire organization and each of our engagements</p>	<p>Assures you that:</p> <ul style="list-style-type: none"> • Our culture supports our promise to you of excellent service and a high quality audit—consistently • You're receiving an independent, transparent, audit opinion • You're receiving an effective and high quality audit that will help you maintain investor confidence in your financial statements. <p>Provides you with:</p> <ul style="list-style-type: none"> • An engagement team handpicked for your business needs – a team with relevant professional and industry experience • An audit engagement team whose qualifications evolve as your business grows and changes • An audit opinion that continues to meet your needs as a participant in the capital markets <p>Assists you with:</p> <ul style="list-style-type: none"> • Assessing the effectiveness and efficiency of the audit • Performing your governance role with confidence.
Association with the right entities	<p>Ethics above all</p> <p>Eliminates any potential independence and conflict-of-interest issues</p>	
Clear standards and robust audit tools	<p>A solid rule book</p> <p>Rigorous internal policies and guidance that help ensure our work meets applicable professional standards, regulatory requirements, and KPMG's standards of quality</p>	
Recruitment, development and assignment of appropriately qualified personnel	<p>People who add value</p> <p>Helps us attract and retain the best people and reinforces the importance of developing their talents</p> <p>Assigns Partners' portfolios based on their specific skill sets</p>	
Commitment to technical excellence and quality service delivery	<p>The right tools for the right job</p> <p>Promotes technical excellence and quality service delivery through training and accreditation, developing business understanding and industry knowledge, investment in technical support, development of specialist networks, and effective consultation processes</p>	
Performance of effective audits	<p>We understand that how an audit is conducted is as important as the final result.</p> <p>A code of conduct, audit delivery tools, and internal policies and procedures that help ensure the work performed by engagement personnel meets applicable professional standards, regulatory requirements, and our standards of quality</p>	
Commitment to continuous improvement	<p>Comprehensive and effective monitoring</p> <p>We regularly solicit feedback from the audit committees of the entities we audit. Our robust internal quality review program ensures the work of each partner is reviewed every three years. Additionally, our procedures and a sample of our</p>	

Driver	What it does	What it means to you
	audits of listed entities are reviewed by the Canadian Public Accountability Board (CPAB), the independent regulator of the accountancy profession in Canada. The Public Company Accounting Oversight Board (PCAOB) in the US also conducts an annual inspection of a sample of our audits of SEC registrants. Finally, a sample of other audits and reviews is undertaken annually by the various provincial institutes in Canada. We consider the recommendations that come from these reviews and implement actions to strengthen our policies and procedures, as appropriate.	

KPMG is committed to providing its clients with professional services of the highest quality. We will meet your deadlines, provide staff continuity and be available to offer assistance and advice. We believe in the importance of accountability to maintain a long-term relationship with the Town, and to do so build quality control in all our internal processes.

We set out to accomplish our goal of providing the highest quality service to all our clients in three ways:

First, we put senior people in the field for effective project management. This also gives us more flexibility to fine tune our fieldwork to adapt to ongoing changes in your operations.

Second, our firm's services and technical review policies represent a further means of checking that we meet our clients' needs and maintain a high level of technical excellence. KPMG's quality control procedures include:

- An annual service review, based on interviews or questionnaires with senior staff, to measure your satisfaction with our team's performance
- A file review conducted by a team member more senior than the person doing the work
- Annual office reviews performed by our national department of professional practice.

Third, we have developed a Client Feedback Review that allows the Town to assess and grade our team's performance against your expectations, and identify any areas for service improvement. Individual members of the team are also evaluated at least once a year against our performance measurement system used to promote our core values – Clients, People and Knowledge – at all levels of the firm.



8. Other

Active involvement in the NPO sector

KPMG's commitment to the not-for-profit sector includes developing, presenting, sponsoring and supporting initiatives aimed at helping Canada's NPOs, both large and small, address the legislative, regulatory and administrative challenges they face. For example:

- **Funding Portal** – KPMG is a **Preferred Service Provider** to the Funding Portal. The Funding Portal is a Canadian company that provides a concierge service for business executives, chief financial officers, entrepreneurs, venture capitalists, non-profits and universities to search and access Canada's \$16 billion government funding marketplace to meet their growth objectives. The types of Canadian public funding include: small business funding, start-up funding, industrial loans, grants, contribution agreements, SR&ED and innovation tax credits, tax incentives, tax refunds, business funding, public funding, government funding, business grants, government grants, job creation funding, wage subsidies, loan guarantees and repayable funding.
- **CommunityShift**—Creating value in not-for-profit organizations – Founded by KPMG Enterprise and the Richard Ivey School of Business, this is an annual five-day developmental program and network for C-level leaders of Canadian charities and not-for-profit organizations that will change the way the participants look at their operations and provide a catalyst for change. For more information: please visit <http://www.communityshift.ca>
- **Charity tax tools – essential information for Canada's charities** – The Charity Tax Tools website, a free information website launched January 26, 2010, provides key information on the basic legal requirements for registered Canadian charities entitled to issue tax receipts for charitable donations. Charity Tax Tools is operated by Imagine Canada. KPMG is proud to be involved with this valuable resource to the charitable sector as one of the sponsors, along with Scotiabank and Carters Professional Corporation. The website is available at: <http://charitytax.imaginecanada.ca>
- **Webinar – New Accounting Standards (ASPE + 4400) for Not-for-Profit Organizations (Webcast Replay and Slides)** – KPMG professionals from our Not-for-Profit group discussed accounting standards proposed by the Public Sector Accounting Standards Board (PSAB) and Accounting Standards Board (AcSB) for not-for-profit organizations. Webcast replay and slides are available at: <http://charitytax.imaginecanada.ca/demand-webinars>

Thought leadership

KPMG Canada's Public Sector practice has played a leading role in the development of our thought leadership publications. We produce documents, reports and other publications to share our ideas and information relating to new developments, regulatory changes and industry and technical issues. Examples are:



Shifting Gears: Paths to Fiscal Sustainability in Canada

This publication provides the view that all levels of government should work to return to fiscal sustainability over the medium term by focusing on

those strategies that modernize policy frameworks and service delivery models.



Performance Agenda: An International Government Survey

Based on a major international survey and in-depth interviews with public sector executives, this KPMG International report

looks at how governments are working to improve their operational efficiency.



The Wolf is at the Door: The Global Economic Crisis and the Public Sector

This report identifies measures being taken by public sector organizations to respond to increasing fiscal pressures. Decision makers across a range of government departments were interviewed spanning six countries.



Holy Grail or Achievable Quest? International Perspectives on Public Sector Performance Management

KPMG International in association with the public administration organizations for Canada, Australia and the Commonwealth has published this book to provide fresh perspectives on public sector performance management and measurement practices.



An Achievable Quest: High Performing Public Sector Organizations

As trusted advisers to many government organizations, KPMG member firms support an integrated performance management approach that takes into account the distinct and dynamic environment in which political leaders and civil servants operate.



Achieving the Potential

Discussion about the way in which we pay for our public services has become increasingly topical as the demand for high quality services grows rapidly and the scope for comparable public spending increases seems limited.

Other services

KPMG has one of the largest advisory services practices of any professional services firm. Our practice provides municipalities with advisory services that help them achieve their business objectives and manage their risks. Services that may be of interest to the Town include:

Strategic management improvements

Strategic management improvements are initiatives specifically aimed at setting the strategic direction of the municipality. To do so, a municipality may consult with its customers to determine how they perceive its performance and where these improvements could be made (customer satisfaction survey), or the municipality may endeavour to conduct a strategic planning exercise focused on setting a "vision" for the municipality at some point in the future. KPMG can assist with the following strategic management initiatives:

- **Transformation portfolio management** to oversee all transformation initiatives in a municipality to ensure there is no overlap, to integrate initiatives where the change can serve multiple purposes and to rank/prioritize the value and allocate scarce resources
- **Customer satisfaction survey** to canvas public opinion or satisfaction with the services offered by a municipality
- **Policy and needs analysis** to determine if the policy framework supports a broader set of program needs currently offered by the municipality and to identify additional policies to support unmet needs
- **Program design** to set out a new program by defining its profile, its respective service offerings to achieve the program outcomes, the linkage to the overall municipal strategic plan/direction, etc.
- **Program review** to consider the programs offered by the municipality and, for those that withstand the test of review, to set goals and outcomes that will ensure the municipality remains subject to public accountability
- **Service design** to establish a new service by defining its profile, its linkage to its respective program(s), the organization unit accountable for its service delivery, etc.

- **Service planning** to set out operational (one-year) and strategic (five-year) objectives to improve efficiency, effectiveness and quality of a service
- **Service review** to review all of the services offered by a municipality in terms of the continued relevance and contribution to program goals and outcomes and to achieve specific service objectives
- **Service Integration** to look for opportunities for services to more closely interact with each other in support of common program outcomes
- **Multi-channel service delivery** to identify the service delivery channels currently provided by a municipality and opportunities for other channels to be added to a service's delivery mechanisms
- **Multi-jurisdictional service delivery** to seek opportunities for different jurisdictions to better collaborate in serving one or more target groups
- **Service level review** to determine if the municipality is optimizing the cost, quality and quantity of each service under review and the appropriate level of service to be offered in support of expectations from the clients/customers
- **Strategic plan development (community/corporate)** to set out a vision, mission, core values, program goals and service objectives for a municipality—an initiative that often includes elected officials and may involve public input and which may embrace the entire municipality, a portion of the municipality (departmental strategic plan) and/or focus on a specific program (program strategic plan)
- **Performance measurement design and implementation** to determine what program outcomes, outputs and process/activity/task results should be measured to determine if a municipality is optimizing its service delivery
- **Performance benchmarking** to compare a specific municipality with others based on efficiency, effectiveness and quality indicators
- **Service level agreement development** to develop an agreement between two parties around the efficiency and effectiveness of the output delivered from one service to another (e.g. purchasing service supporting a potable water supply service).

Process and quality management improvements

Process and quality management improvements are initiatives that seek out operational efficiencies and improved effectiveness by examining the processes used to deliver services. Some municipalities have focused on specific services such as streamlining purchasing and accounts payable services, while others have embraced continuous improvement frameworks such as the National Quality Institute (NQi) Certification or ISO 9000 Certification by which all processes are identified and regularly reviewed to generate improvement initiatives. KPMG can assist with the following process and quality management initiatives:

- **Process mapping** to define the processes associated with one or more services
- **Process re-engineering/optimization** to examine specific services that may have been deemed opportunities for streamlining of business processes, where detailed processes are mapped out to identify those that can be eliminated or modified to increase efficiency or improve the quality of work
- **Quality control certification** to introduce frameworks or methodologies for examining all of a municipality's programs and services, in search of improved quality of service such as the adoption of a National Quality Institute (NQi) approach or ISO9000/ISO14000 certification.

Human resource management improvements

As municipal councils continue to cut budget allocations, or at a minimum hold back on budget increases, managers must find creative ways in which to deliver the same services for less money. In addition, more and more municipalities are facing a tremendous challenge as their work force ages, resulting in a secession planning challenge. As a result, municipalities are interested in discovering different ways in which to efficiently and effectively deliver their services through better ways of managing their human resources. KPMG can assist with the following human resource management initiatives:

- **Position/job description definition** to clarify the roles employees play in their positions by developing clear, concise job descriptions based on the processes, activities and tasks that they carry out in their day-to-day roles within an organization
- **Employee performance plan development** to map out a work plan or set of goals and objectives for a given position and how employees can more effectively carry out their responsibilities relative to an overall program and service plan for a department
- **Staff training and development** to identify the education and training requirements of one or more employees based on their changing roles within an organization relative to the service(s) they support and which may be based on prospective career path choices
- **Communication plan development** to improve communications among and between management and employees on a range of topics including their roles within the organization, how to keep employees aware of change, how to solicit employee input into change/improvement in service delivery, etc.



Appendix A: Proposal check list

BEFORE SEALING THE ENVELOPE, PLEASE CHECK THAT THE FOLLOWING THINGS HAVE BEEN DONE:

- | | | |
|---|---|------------|
| 1 | a) Has your proposal been SIGNED by the proper officers of your firm? | <u>✓</u> |
| | b) Has your corporate or individual SEAL been affixed over or alongside the signature of the officers | <u>N/A</u> |
| 2 | Have you included a copy of Public Accounting License? (Section (iii) 1 a)) | <u>✓</u> |
| 3 | Have you addressed all requirements of Section (iii) – Proposal Content | <u>✓</u> |

Appendix B: Public accounting license





Appendix C: Insurance certificates



Verification of Insurance

We, the undersigned Insurance Brokers, hereby verify that Westport Insurance Corporation has issued the following described insurance, which is in force as at the date hereof:

To: The Corporation of the Town of Tecumseh
917 Lesperance Road
Tecumseh, ON • N8N 1W9

Type of Insurance: PROFESSIONAL INDEMNITY INSURANCE

Name of Assured: KPMG LLP

Policy No: 0656313

Insurer: Westport Insurance Corporation

Period: 12:01 a.m. November 29, 2012 to 12:01 a.m. November 29, 2013

Limit: \$ 2,000,000 (each claim)

Subject to the terms, conditions, exclusions and limitations of the policy.

This document is furnished as a matter of information only. The issuance of this document does not make the person or organization to whom it is issued an additional Assured, nor does it modify in any manner the contract of insurance between the Assured and Westport Insurance Corporation. Any amendment, change or extension of such contract can only be effected by specific endorsement attached hereto.

Date: October 18, 2013

Per: 

Rosanna Truffa, Professional Services



Clearance Certificate / Certificat de décharge

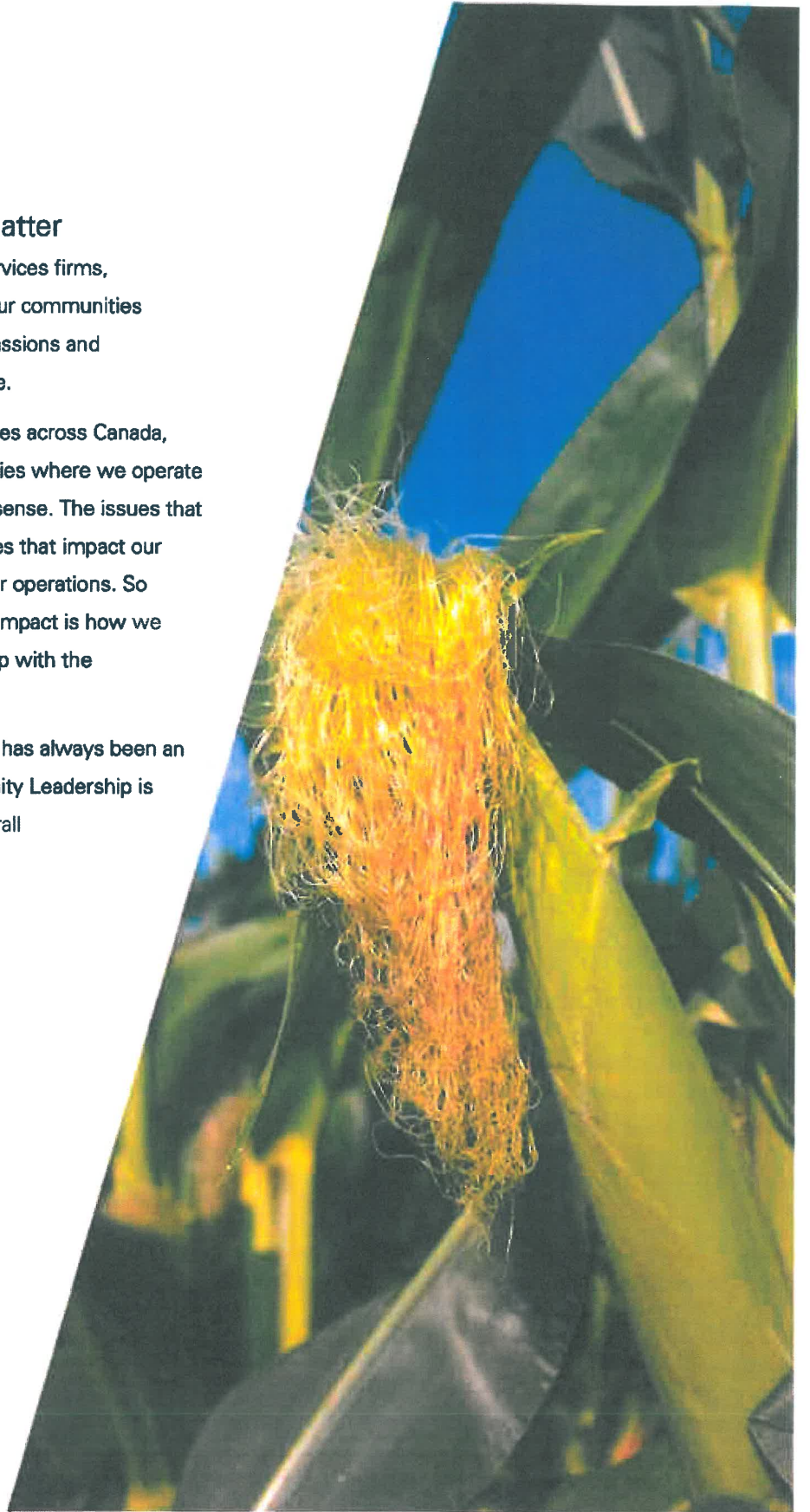
Contractor Legal / Trade Name / Appellation commerciale ou raison sociale de l'entrepreneur	Contractor Address / Adresse de l'entrepreneur	Contractor Classification Unit and Description / Unité de classification de l'entrepreneur et description	Principal Legal / Trade Name / Appellation commerciale ou raison sociale de l'entrepreneur principal	Principal Address / Adresse de l'entrepreneur principal	Clearance Certificate Number / Numéro du certificat de décharge	Validity period (dd- mm-yy) / Période de validité (J/mm/aaaa)
KPMG LLP / K P M G	C/O PAYROLL MANAGER, 383 UNIVERSITY AVE SUITE 1100, TORONTO, ON, M5G 2N9, CAN	7731-000: CHARTERED ACCOUNTANTS	CORPORATION OF THE TOWN OF TECUMSEH	817 LESPERANCE RD, WINDSOR, ON, N8N 1W9, CAN	W2000003HBVD	18-Oct-2013 to 18-Nov- 2013

At KPMG, Our Communities Matter

As one of Canada's leading professional services firms, we have an incredible opportunity to help our communities thrive by engaging our skills, knowledge, passions and financial resources to make a real difference.

As a firm with locations in more than 30 cities across Canada, we are actively connected to the communities where we operate – as a business, as an employer – in every sense. The issues that impact our communities are the same issues that impact our people and their families, our clients and our operations. So making a commitment to having a positive impact is how we recognize the significance of our relationship with the communities where we operate and live.

Being actively engaged in our communities has always been an important part of KPMG's culture. Community Leadership is one of the four key components of our overall business strategy.



www.kpmg.ca

This proposal is made by KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity and is in all respects subject to the satisfactory completion of KPMG's client acceptance procedures, as well as negotiation, agreement and signing of a specific engagement letter or contract. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

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