



Our proposal

Audit Services

Nipissing University Student Union

September 27, 2016

kpmg.ca/enterprise



Our commitment to you

September 27, 2016

We are delighted to submit our proposal to provide external audit services to the Nipissing University Student Union (the "Student Union"). We are very excited about the prospect of working with the Student Union, where some of us have been members, and thank you for the opportunity to show why KPMG is best suited to meet your auditing needs.

As external auditors and business advisers of choice to numerous not-for-profit and educational organizations, we strive to provide a level of service that exceeds expectations. The members of our team have been selected for their experience in the not-for-profit sectors, knowledge of key issues for not-for-profits, and professional know-how. We employ an audit methodology that is risk-based and tailored to your environment. Throughout the engagement, we emphasize continuous, proactive communication to offset the chance of unpleasant surprises.

We want your business and it is important for us to earn it. This proposal seeks to present why KPMG Enterprise is best positioned to serve you and the commitment you can expect from us. We look forward to working with you and will be pleased to answer any questions you may have.

Sincerely,



Laurie Bissonette, FCPA, FCA
Lead Engagement Partner

Choosing KPMG Enterprise

We are confident that no firm is better suited to meet your needs than KPMG Enterprise. Here's why:

- **Expertise in your sector.** We have financing and capital project specialists that have pieced appropriate structures for student centres. We are familiar with your specifics.
- **A team dedicated to not-for profit organizations.** Our commitment is to meet the evolving needs of our NPO clients with the right advisers at the right time – with complete access to the full resources of the KPMG entire organization. KPMG's NPO practice consists of a dedicated team of over 200 professional advisers serving NPOs across Canada. They bring a track record for being hands-on and proactive, and are committed to exceeding your expectations. You will be their priority.
- **Industry experience.** We strongly believe that our in-depth industry experience brings added value in the form of fast and insightful ideas for business challenges unique to NPO's. We like to bring fresh perspectives and continuously invest the time and effort to build our industry knowledge.
- **A collaborative, service-oriented approach.** Our approach places great importance on regular communication and we work with you to tailor our service to your specific needs. As we review your financial statements, we look out for areas of improvement and opportunities to increase efficiencies. In keeping with our commitment to provide high quality service, we seek your input on our performance to serve you better.
- **Value for fees.** Our fees reflect the value we bring as business advisers in terms of the quality of our service and effective approach. There is also the value that goes with having your external audit performed by a leading firm and the extras we provide beyond the engagement.
- **A smooth transition.** We know how important it is to bring peace of mind and avoid disruption to both yourself and your staff. Our team is experienced at welcoming clients to KPMG, and have already gained an understanding of your business through the past year. We see transition as our responsibility, not yours, and will absorb all associated costs.

Your service team

Members of your KPMG Enterprise team have been selected for their skills and experience to the engagement, their focus on private companies and their knowledge of the Education industry.



Laurie Bissonette
Partner
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Laurie Bissonette, as the Lead Engagement Partner, will be your primary point of contact. She will oversee all aspects of the engagement, planning the audit, seeing that service delivery is on time, reviewing the financial statements and reporting on our findings.



Justin Avery
Senior Accountant
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Justin, your Audit Engagement Senior, will coordinate the activities of our audit staff and day-to-day management of the audit, supervising all field work and delegating requests for information.



Stephanee Horth
Staff Accountant
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Stephanee, your staff Accountant, will work with Justin to complete the audit field work onsite.

Sharing knowledge and experience

As a client of KPMG Enterprise, you will have access to a wealth of relevant knowledge through our publications and industry-related events. These include:

- **Ten To-Do's for Audit Committees of Not-for-Profit Organizations From to-do** – Reassess the organization's vulnerability to business interruption, and its crisis readiness. This summary points to key issues that audit committee members should have on their radar.
- **Indirect Tax Issues and the Public Sector:** - KPMG Partners discuss how indirect taxes in Canada continue to evolve, bringing additional compliance issues and increasing the risks of over or under paying taxes
- **Webinars on Potential Statement of Principles** - A webinar that examines the recent changes in accounting framework.
- **Not-for-profit reserve levels:** - KPMG's National Leader, Not-for Profit discusses appropriate reserve levels.

Value for fees

The quality of service and value we provide make our fees very competitive. Based on consultations with you and our experience with other not-for-profit entities in the industry, our estimate is as follows:

- For the external audit for the fiscal year ending April 30, 2017, our estimate before taxes is in the range of \$7,500 - \$8,500.
- Hourly rates for non-audit work, including tax advisory services, are as follows:

Partner	\$300
Senior Manager	\$250
Manager	\$150
Senior Accountant	\$100
Staff Accountant	\$90

Our audit approach

KPMG follows a risk-based, automated approach tailored to identify and address significant risks in your financial statements. Working closely with your staff to plan the audit, we examine your key business processes, evaluate controls and perform substantive tests to get an understanding of your relevant issues and form an audit opinion. Our approach is designed to:

- Actively involve partners at every step, from planning to finalizing the audit and resolving issues as they arise
- Focus on the greatest risks for misstatement and the effectiveness of internal controls at mitigating them
- Analyze major transactions in real time, to ensure we understand and agree on the accounting implications
- Emphasize continual, proactive communication to help reduce the chance of unpleasant surprises
- Make the transition from your current business advisers as smooth as possible.

To provide greater efficiency and value, within a reasonable period of time and at competitive cost, we use an automated audit process designed specifically for private companies.

Wide Range of Services

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

Indirect Tax Services – At KPMG, we offer a complete range of sales and local tax consulting services that can help the Organization substantially reduce its indirect and local tax liabilities.

Improving Financial Administration – KPMG can assist the Organization's finance department in determining disclosure requirements in annual reports and website financial information, improve budget forecasting, closing and reporting processes to meet unique business needs or evaluate opportunities for shared services.

Leaders in the Education sector

Understanding the environment in which our not-for-profit clients operate is both pivotal and integral to the way we do business and deliver our services, enabling us to share sharp insights and proactively seek opportunities. Our commitment is also evident in the thought leadership KPMG professionals regularly contribute to the sector in the form of books, sponsorship of events, seminars and other materials on NPO and technical issues.

KPMG has a wealth of knowledge of the Not-for-Profit ("NPO") sector gained through serving all types of clients. In the NPO sector, KPMG has extensive experience including charities, foundations, government and its agencies, and membership, cultural, ethnic, educational and religious organizations.

We are one of the largest business advisers to not-for-profit organizations. Clients we serve have come to value our experience, insights and depth of knowledge. Among them are:

- Laurentian University
- Students' General Association
- Nipissing University
- Laurentian University
- NORCAT
- Cambrian College
- Northern College
- Sault College
- Canadian Education Association
- Science North

Corporate Governance – KPMG has conducted a number of assignments to assist boards of directors to develop and implement policies and processes to improve their effectiveness

Seminars – Our professionals are available to present seminars on topics of interest to the Organization, such as financial management for your students. These courses have been found to increase retention.

Finance Models – KPMG has structured financing for student centres.

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