|  |  |
| --- | --- |
| **Name of Individual:** |  |
| **Group/Level:** |  |
| **Engagement Type:** | *(e.g. Annual Audit, Special Examination, Performance Audit)* |
| **Engagement Title:** |  |
| **Entity(s) Name:** |  |
| **Date of Exception Report:** |  |

For each identified threat to independence document the following in order to evidence that appropriate action has been taken to eliminate or reduce threats to an appropriate level. Note: this report may also be used to document a threat to compliance with relevant ethical requirements in accordance with OAG Audit 3031.

Nature of the engagement and role of the individual:

[If the identified threat relates to a specific assurance engagement, describe the type of engagement (i.e. financial statement audit, performance audit, special examinations) and the planned role for the individual on the engagement.]

Threat(s) identified:

[Provide a description of the circumstance, relationship or situation giving rise to a threat to independence or compliance with relevant ethical requirements.]

Proposed safeguard(s):

[To be completed by the engagement leader, provide a description of the proposed safeguard or safeguards available to eliminate or reduce the threat to an acceptable level. Consider the guidance included in OAG Audit 1031.]

Explain how the safeguard(s) eliminate or reduce threat(s) to an acceptable level:

[To be completed by the engagement leader, explain how the proposed safeguard(s) will eliminate or reduce the threat(s) to an acceptable level.]

|  |  |  |
| --- | --- | --- |
| **Individual’s signature:** |  | **Date:** |
| **Engagement Principal’s signature:** |  | **Date:** |
| **Internal Specialists—Values and Ethics signature:** |  | **Date:** |