**Practice review of assurance engagement  
Report on independence**

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| **COMPLIANCE WITH THE OFFICE’S POLICIES AND INDEPENDENCE RULES** | | |
| **A** | To: | Office of the Auditor General of Canada­ |
| **B** | From: | *[name of the individual]* |
| **C** | Group: | *[group number]* |
| **D** | I will be involved in the practice review of: | The annual audit of: as at:  The Special Examination of:  Date of transmittal to the Board:  The Performance Audit of:  Date of AG Report: |
| **E** | Engagement Specific Prohibited holdings: | *[consult with the engagement leader to identify and document those financial interests****[[1]](#endnote-1)*** *or assets that if held directly or indirectly by an engagement team member, a spouse (or equivalent) or a dependant may give rise to an independence threat on this engagement]* |
| **F** | For the Period Covered | from\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_  to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­\_ 20\_\_ |

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| **OFFICE INDEPENDENCE POLICIES** | |
|  | I have read the Office’s independence policies as contained in ***OAG Audit 3031***, the ethical requirements relating to an assurance engagement as contained in ***OAG Audit 1031*** and the ***Code of Values, Ethics and Professional Conduct*** of the Office of the Auditor General of Canada. |
|  | I have taken the time to understand the meaning, application, terms and conditions of these policies. |

Please read and consider the independence threats outlined below (this list is not meant to be exhaustive). Promptly notify the Practice Review Principal if threats to independence are noted and initiate an ***Exception Report*** as necessary.

| **CONSIDERATIONS RESPECTING INVOLVEMENT IN AUDIT ENGAGEMENT** | |
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|  | 1. I was not involved in performing the audit engagement being reviewed nor have I been a member of the engagement audit team for the past two years (familiarity, self-review). |
|  | 1. I have not acted as a Engagement Quality Control Reviewer or as an advisor in any capacity for the audit engagement being reviewed for the past two years (self review). |
|  | 1. I do not have an immediate family member who is a part of the audit engagement team (spouse or equivalent, daughters/sons, parents, siblings) (self-interest) or a personal relationship with the practitioner that would otherwise impair my objectivity and independence. |

| **CONSIDERATIONS RESPECTING ASSOCIATION WITH THE ENTITY FOR WHICH THE AUDIT ENGAGEMENT WAS PERFORMED (“THE AUDITED ENTITY”)** | |
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| I confirm, with respect to myself, my spouse (or equivalent) and dependants (collectively "us") that: | |
|  | 1. None of us, as individuals or as a trustee, has a direct financial ownership interest**[[2]](#endnote-2)** or a material indirectfinancial ownership interest**[[3]](#endnote-3)**, or are committed to acquire such an interest, in this assurance entity **(see D above)**, any significant related**1** entity **(see E above)** or an engagement specific prohibited holding **(see F above)** (self-interest). |
|  | 1. None of us, directly or indirectly, has a loan or a loan guarantee to, or from, this assurance entity **(see D above)**, its management, those charged with governance or any significant related**1** entity **(see E above)** except where this assurance entity or the significant related**1** entity is a bank or similar financial institution where the loan or guarantee is made under normal commercial terms and conditions and the loan is in good standing (self-interest). |
|  | 1. None of us has personal relationships with the assurance entity management or those charged with governance (self-interest). |
|  | 1. None of us has either individually or jointly any investment or business relationship or is benefiting from some material financial arrangement with the assurance entity **(see D above)**, its management or those charged with governance (self-interest). |
|  | 1. None of us has served as an officer, director, employee or contractor with this assurance entity **(see D above)** (self-review, familiarity, self-interest). |
|  | 1. As far as I am aware none of my parents, non-dependent children or siblings controls or owns a material financial interest in the assurance entity **(see D above)**, any significant related entity or an engagement specific prohibited holding **(see E above)** (self-interest). |
|  | 1. I have not been involved in an assurance engagement for this assurance entity **(see D above)** as an AAG, PX, QR or engagement team member for more than seven consecutive years [refer to ***OAG Audit 1071***] (familiarity). |
|  | 1. I have not prepared or changed a journal entry, determined or changed an account code or a classification for a transaction or prepared or changed another accounting record for this assurance entity **(see D above)** during any period covered by the assurance engagement reportwithout obtaining the approval of management of the assurance entity. I have not prepared a source document or originating data, or made a change to such a document or data during any period covered by the current assurance engagement report (self-review). |
|  | 1. I have not accepted a gift or hospitality, including a product or service, from this assurance entity **(see D above)**, any significant related**1** entity or an engagement specific prohibited holding **(see E above)** that is other than clearly insignificant or of minimal value (self-interest). |
|  | 1. I am not seeking employment with this assurance entity **(see D above)** or any significant related**1** entity (self-interest). |
|  | 1. In the past 5 years I have not provided any of the services listed below to this assurance entity **(see D above)** (self-reviews, familiarity, advocacy).    * legal services;    * corporate finance services;    * valuation services;    * actuarial services;    * internal audit services;    * IT system services;    * expert services;    * human resource services;    * any other service that directly affects the subject matter of this assurance engagement. |

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| **EXCEPTION REPORT** | |
|  | As I have been unable to confirm one or more matters set out in (i) to (xii) above, I have initiated an exception report setting out any threats to independence and I will not commence work on this assurance engagement without clearance by the Practice Review Principal and the Internal Specialist - Values and Ethics. |

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| **INDEPENDENCE CONFIRMATION** | | | | |
|  | I agree to promptly inform the Practice Review Principal if during the course of this engagement I have access to information not generally available to the public, which is related to a direct or indirect financial interest held by me, my spouse (or equivalent) or dependants. | | | |
|  | I agree to continue to abide by the Office’s policies on independence and acknowledge my responsibility to promptly notify the Practice Review Principal of changes in our circumstances and relationships occurring subsequent to the date of this confirmation that may create threats to my independence or the independence of the Office with respect to this assurance engagement. | | | |
|  | The Principal of Practice Review and Internal Audit and the Internal Specialist - Values and Ethics have reviewed and approved my completed Exception Report and safeguards have been applied to eliminate or reduce the threat(s) to an acceptable level. The ***Exception Report*** has been provided to Human Resources to be added to my personnel file. | | | |
|  | I understand that my signature on this form is a representation to the Office that the statements made are true and accurate as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_20\_\_. | | | |
| **Individual’s signature[[4]](#footnote-1):** | |  | **Date:** |
| **Practice Review Principal’s signatureA:** | |  | **Date:** |

1. ***financial interest*** *includes a direct or indirect ownership interest in an equity or other security, debenture, loan or other debt instrument of an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest.* [↑](#endnote-ref-1)
2. ***direct financial ownership interest*** *means an ownership interest in an equity or other security, debenture, loan or other debt instrument of an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest that is:*

   *(a) owned directly by and under the control of an individual or entity (including those managed on a discretionary basis by others);*

   *(b) beneficially owned through a collective investment vehicle over which the individual or entity has control such as an estate, trust or other intermediary;*

   *(c) owned through an investment club or by a private mutual fund in which the individual participates in the investment decisions.* [↑](#endnote-ref-2)
3. ***indirect financial ownership interest*** *means an ownership interest in an equity or other security, debenture, loan or other debt instrument of an entity, including rights and obligations to acquire such an interest and derivatives directly related to such interest that is beneficially owned through a collective investment vehicle such as a mutual fund, estate, trust or other intermediary over which the beneficial owner has no control.* [↑](#endnote-ref-3)
4. alternatively this confirmation may be signed off electronically in TeamMate [↑](#footnote-ref-1)