**Interoffice Letter of Instruction Template for use on Group Audits**

**Table of Contents**

[Introduction 1](#_Toc152843290)

[Required communications (OAG Audit 2341) 1](#_Toc152843291)

[Confirmation of your cooperation 1](#_Toc152843292)

[Managing and achieving quality (OAG 2312) 2](#_Toc152843293)

[Compliance with ethical requirements, including those related to independence (OAG Audit 2326 and 2328) 2](#_Toc152843294)

[Auditing and accounting standards (OAG Audit 2326 and 2329) 2](#_Toc152843295)

[Engagement resources (OAG Audit 2329) 3](#_Toc152843296)

[Audit scoping and materiality levels (OAG Audit 2333 and 2335) 3](#_Toc152843297)

[Risk assessment, including fraud (OAG Audit 2331 and 2332) 3](#_Toc152843298)

[Laws and regulations (OAG Audit 7510 and 2341) 4](#_Toc152843299)

[Authorities 4](#_Toc152843300)

[Executive and board compensation, travel, hospitality, conferences and events 4](#_Toc152843301)

[Other Matters 4](#_Toc152843302)

[Related parties (OAG Audit 2341) 4](#_Toc152843303)

[Communication during the audit (OAG Audit 2342) 4](#_Toc152843304)

[Other matters to be communicated to the group audit committee (CAS 260) 5](#_Toc152843305)

[Communicating results (OAG Audit 2343and 2345) 5](#_Toc152843306)

[Archiving and record retention 5](#_Toc152843307)

[Optional communications (OAG Audit 2341) 6](#_Toc152843308)

[Entity information, including significant developments affecting the group (OAG Audit 2322) 6](#_Toc152843309)

[Sharing audit comfort (OAG Audit 2380) 6](#_Toc152843310)

[Reliance on the work of the client’s Internal Audit department 6](#_Toc152843311)

[Relevant comments on the internal control structure (OAG Audit 5031) 6](#_Toc152843312)

[The group engagement team’s involvement in your work (OAG Audit 2341) 6](#_Toc152843313)

[Engagement letters (OAG Audit 2325) 7](#_Toc152843314)

[Approach to involvement of specialists (OAG Audit 3101) 7](#_Toc152843315)

[Procedures relating to Intra-group balances and unrealized profits (OAG Audit 9031 and 2361) 7](#_Toc152843316)

[Going concern (OAG Audit 2341) 7](#_Toc152843317)

[Litigation and claims (OAG Audit 2341) 7](#_Toc152843318)

[Subsequent events procedures (OAG Audit 2341) 7](#_Toc152843319)

[Management representation letter (OAG Audit 2343) 7](#_Toc152843320)

[Statutory audit opinion (OAG Audit 2331) 7](#_Toc152843321)

[Audit Committee (or equivalent) report (OAG Audit 2343) 8](#_Toc152843322)

[Communication protocols and key contacts (OAG Audit 2341) 8](#_Toc152843323)

[Timetable and due dates 8](#_Toc152843324)

[Summary of Appendices 8](#_Toc152843325)

[APPENDIX A 9](#_Toc152843326)

[APPENDIX B 12](#_Toc152843327)

[APPENDIX C 13](#_Toc152843328)

[APPENDIX D 14](#_Toc152843329)

[APPENDIX E 19](#_Toc152843330)

[APPENDIX F 20](#_Toc152843331)

[APPENDIX G 21](#_Toc152843332)

[APPENDIX H 22](#_Toc152843333)

* The template includes suggested wording for certain topics and includes all the required communications. Wording and procedures need to be tailored to meet the specific needs and requirements of your group. Square brackets indicate items that have been identified as requiring such tailoring. All text in red should be tailored or removed, as appropriate.
* The table of contents in the template can be automatically updated to reflect any changes made in the template. For example, if a section is deleted, the table of contents can be automatically refreshed to reflect the changes made.
* Please note: There are no hard page breaks in this document—please insert page breaks, as appropriate, once you have tailored the letter.

# Introduction

The Office of the Auditor General of Canada [‘Office’] (“the **group engagement team**”) has been engaged to express an audit opinion on the fair presentation of the group financial statements of [name of parent company] for the year ended [insert year end], in accordance with [identify applicable financial reporting framework, e.g. IFRS, PSAB, other].

[Insert if Group engagement is a section 6 audit or Other Entity, including Territorial Governments: The Office will also conclude on whether accounting principles have been applied on a basis consistent with that of the preceding year. In addition, given that the Office is a legislative auditor, authorities are an integral part of [the Public Accounts audit / our work].]

[Insert if Group engagement is a Part X of the Financial Administration Act: In accordance with the requirements of the Financial Administration Act (‘FAA’), our audit is designed to enable the Office to express an audit opinion that these principles have been applied on a basis consistent with that of the preceding year, and the transactions of the [name of the parent company] that have come to our notice during our audit of the financial statements have, in all significant respects, been in accordance with Part X of the FAA and regulations, the charter [Normally the enabling legislation] and the by‑laws of the Corporation [and subsidiary] and any directive given to the Corporation.]

This Letter of Instruction sets out the procedures that we, the group engagement team, require you, the **component auditor**, to perform on the financial information of the **component** for which you are responsible.

On receiving these instructions, please:

* Acknowledge receipt;
* Seek clarification on any items of uncertainty;
* Advise us if you anticipate that you will not be able to comply with the instructions and timetables therein; and
* Inform us of any events, transactions or recent or proposed legislative changes that may have a significant impact on either the component or the group.

Please complete and return the acknowledgement of receipt (Appendix A) by [insert date].

## Required communications[[1]](#footnote-1) (OAG Audit 2341)

### Confirmation of your cooperation

The work you will perform on your component (refer Appendix B) will form part of the group financial statements of [name of parent company]. We require you to confirm that you will cooperate with us, the group engagement team. [Specify if there is a need for the group engagement team to access working papers for review and ensure it is clear how this access will take place (ie. Discuss results with component auditors, request information or particular audit documentation, etc.)] This confirmation is included in the acknowledgement of receipt in (Appendix A), which you should complete and return to us by [insert date].

### Managing and achieving quality (OAG 2312)

The component engagement leader takes responsibility for managing and achieving quality on the audit work performed by the component engagement team through direction and supervision of the component engagement team and the review of their work.

### Compliance with ethical requirements, including those related to independence (OAG Audit 2326 and 2328)

You are required to comply with the *OAG Code of Values, Ethics and Professional Conduct* [and the additional requirements under the Code of Ethics of [name of territory], in relation to the work carried out on the component].

The members of the component audit team are required to follow OAG independence rules [and the applicable rules of [name of territory], in respect of [name of parent] and the other components in the group which are listed].

Please indicate to us local entities that would be considered to be related entities of [name of parent] that are not included in the attached list of entities, any past or existing professional services or business arrangements or alliances and the entities indicated on the attached list of entities that could be reasonably thought to bear on independence in respect of [name of parent] and [name of component] and any other circumstances that could be reasonably thought to bear on independence in respect of [name of parent] and [name of component].

**Threats to compliance with independence requirements**

If you become aware of a threat to compliance with independence requirements that has not otherwise been brought to the group engagement leader’s attention, please notify us so that we can evaluate the threat in compliance with the applicable policies and procedures, and to agree a course of action to eliminate or reduce it to an acceptable level.

**Breaches of independence requirements**

If you identify an actual or potential breach of independence requirements, please inform us immediately.

**Breaches of ethical requirements other than independence**

If you identify a breach of ethical requirements, please inform us immediately.

### Auditing and accounting standards (OAG Audit 2326 and 2329)

#### GAAS

Work in connection with the group audit must be conducted in accordance with CAS [specify the auditing standards in accordance with which the group audit must be conducted if different than CAS].

[*If group audit is to be conducted in accordance with the ISAs, include the following*: We ask that you conduct your work on the component’s financial information in accordance with International Standards of Auditing.]

#### GAAP

Work in connection with the group audit must be conducted in accordance with [specify the applicable financial reporting framework in accordance with which the group audit must be conducted, e.g. IFRS, PSAB, other] **OR** [The Group accounting policies are described in the Group’s Accounting Manual [or state where described, e.g. TBAS]. These policies present the financial reporting framework for the financial information on which you will be reporting.]

[If you will provide a separate audit opinion for your component, we understand that the relevant financial reporting framework for purposes of that opinion may be different (e.g. IFRS, PSAB, other). Please provide us with the relevant financial framework of your statutory audit outlining any areas where you believe the conversion to the Group’s accounting policies would create a potentially material difference as soon as practicable.]

### Engagement resources (OAG Audit 2329)

Inform us if there are concerns regarding the sufficiency and appropriateness of engagement resources, including sufficient time to perform the work requested, or if there have been any changes in resources that give rise to concerns as to the overall sufficiency and appropriateness of resources.

### Audit scoping and materiality levels (OAG Audit 2333 and 2335)

For purposes of the group audit, we have determined the nature of the work to be performed in connection with the financial information of each component.

[Appendix B] identifies for each component the nature of the work to be performed and materiality levels.

[If the group engagement team decides that component performance materiality levels will be determined by the component auditor, it should be approved by the group engagement team and the group engagement team should include in the group instructions the relevant expectations for the component auditor’s response, such as expected format and timing, and how the group engagement team will subsequently provide their approval.]

[*If the component auditor is responsible for a stand-alone report (e.g. statutory audit), with separate materiality levels, the component auditor should get the separate materiality levels approved by the group engagement team. Include the following:* The group engagement team must approve the component audit materiality levels. Please provide us with the materiality levels you wish to use in your audit as soon as practicable after you determine them.]

### Risk assessment, including fraud (OAG Audit 2331 and 2332)

[[Appendix C] contains a description of significant [and elevated] risks of material misstatement of the group financial statements, due to fraud or error, that were identified by the group engagement team and that are considered relevant to your component. The significant risks should be addressed in your work performed on the component]. Maintain professional skepticism, recognizing that circumstances may exist that cause the financial statements to be materially misstated.

Fraud risk is a critical component of business risk and, accordingly, the group engagement team has taken responsibility for planning and performing our audit to obtain reasonable assurance that the financial statements are not materially misstated due to fraud as described in the fraud risk assessment memo attached in [Appendix C].

For each significant risk identified by the group engagement team, you are required to communicate your responses in the acknowledgement of receipt (Appendix A) and Audit Planning Template. You are also required to communicate to the group engagement team any other significant risks, including fraud risks that you identify when you perform your risk assessment procedures and your responses to those risks.

We request that you notify us on a timely basis of any significant changes to your risk assessment and/or your planned responses to the identified risks that are made after you submit the acknowledgment of receipt.

The results of your responses to those risks identified is required to be communicated in the Memorandum of Work Performed or Report Clearance Summary [Appendix D].

### Laws and regulations (OAG Audit 7510 and 2341)

[The group engagement team should inform component auditors of laws and regulations, e.g. Money Laundering regulations applicable to the parent company that could have a direct bearing on the work the component auditor performs at the component].

Please inform us of any instances of non‑compliance or potential non‑compliance.

### Authorities

[From our obligations as legislative auditors, the group engagement team should also inform component auditors of applicable authorities. E.g. the [*name of parent*] *Act* and regulations, Part X of the *Financial Administration Act* and regulations, any directives issued by the Governor in Council [or where permitted by enabling legislation, the responsible Minister] to the [name of parent] and the by‑laws of [name of parent]].

We request that you ascertain that transactions coming to your notice in the course of your examination were, in all significant respects, in accordance with [specified authority instruments]. These authorities include: the [*name of parent*] *Act* and regulations, Part X of the *Financial Administration Act* and regulations, any directives issued by the Governor in Council [or where permitted by enabling legislation, the responsible Minister] to the [name of parent] and the by‑laws of [name of parent].

Please inform us of any instances of non‑compliance or potential non‑compliance.

### Executive and board compensation, travel, hospitality, conferences and events

[We perform audit work on senior executive and board compensation, travel, hospitality, conferences and events on annual financial audits on the basis of risk assessment of the entity. We request that you review this area annually to identify potential risks and perform detailed [tests of controls or on selected transactions] on the basis of your assessed risk, as well as in response to specific risks that we have identified. The objective of this review is to determine if senior executives’ and board members’ compensation arrangements and travel, hospitality, conference and event expenditures comply with relevant authorities.]

Please inform us of any instances of non‑compliance or potential non‑compliance.

### Other Matters

We request that you confirm that during the course of your examination you will consider whether, you have become aware of any “other matters” that, in your opinion, should be brought to the attention of Parliament.

### Related parties (OAG Audit 2341)

Appendix H contains a list of related parties the group engagement team is aware of. We request that you notify us of any additional related parties identified by you in the acknowledgement of receipt (Appendix A).

### Communication during the audit (OAG Audit 2342)

We request that you notify us on a timely basis of any matters that require our attention and significant matters that you expect to report to management or those charged with governance of the component. These matters would include, but are not limited to, uncorrected misstatements, material weaknesses in internal control over financial reporting, significant accounting, auditing, financial reporting or taxation matters, suspected or detected fraud involving component management, employees who play significant roles in internal control or where the fraud results in a material misstatement of the financial information of the component, exceptions noted in the written representations that the component auditor requested from component management and the component auditor’s overall findings, conclusions or opinion. Your documentation should cover:

* The nature of the matter;
* Its accounting, auditing, or reporting significance;
* The persons with whom the matter was discussed; and
* Conclusions reached, the related rationales and the actions taken,including relevant audit procedures performed.
* Also, please notify us on a timely basis of any audit evidence obtained by you from performing work on the financial information of the component that contradicts the audit evidence on which the original risk assessment performed at group level was based.

### Other matters to be communicated to the group audit committee (CAS 260)

We request you notify us on a timely basis and/or in your Memorandum of Work Performed on the following:

* Any concerns regarding the honesty and integrity of management;
* Matters that may cause future financial statements to be materially misstated;
* Related party transactions that are not in the normal course of operations and that involve significant judgments made by management concerning measurement and disclosure;
* [The group engagement team should tailor and add any other matters of audit committee importance as outlined in CAS 600, as the above list does not list all matters to be communicated]

### Communicating results (OAG Audit 2343and 2345)

[At the completion of your procedures on the financial information of your component, but no later than [insert date], we require you to submit to us a Memorandum of Work Performed and a Report Clearance Summary (“RCS”). The template in [Appendix D] should be used for this communication.

Your SUM and Stand-Alone Report (if applicable) should accompany the Memorandum and RCS [Appendix D]. All uncorrected misstatements identified during your work must be discussed with component management prior to reporting to the group engagement team].

The SUM sheet should be prepared using the Rollover Method (Appendix G). If the component auditor is not familiar with this method to record uncorrected misstatements, the component auditor should contact the group engagement team for further assistance to ensure the proper methodology is used.

You are required to report all control deficiencies to the group engagement team in a timely manner.

### Archiving and record retention

[Amend to reflect group engagement policies. Detailed guidance is included in OAG Audit 1171 and 9071.]

Suggested wording:

Documentation, archiving and retention of audit work / files must be performed in accordance with OAG Policies.

Component auditors are reminded that, if the date of the opinion on the component’s statutory financial statements is different from the date that component auditors will report to us for group purposes, the archiving date for the statutory audit engagement would be considered separately (**OAG Audit 1181**).

The following date (mm/dd/yy) is relevant to you for archiving purposes:

Group auditors report date: [enter date]

GAAS requires archiving within 60 days of auditors report date.

## Optional communications (OAG Audit 2341)

### Entity information, including significant developments affecting the group (OAG Audit 2322)

[Include here entity information and significant developments affecting the group that is relevant to components. These might include relevant new accounting pronouncements and new laws and regulations. Alternatively, provide cross-references to where this information can be located (e.g. the group’s website) or has been previously provided (e.g. group planning meetings).]

### Sharing audit comfort (OAG Audit 2380)

[Amend to reflect extent to which audit comfort will be obtained and shared between group audit and component auditors, including in a Shared Services Centre environment, if applicable. Reliance that component auditors could place on non‑SSC activities that will be tested at group level, e.g. group‑wide controls impacting the component, testing of GCCs, etc. (refer to table included in **OAG Audit 2331**), should also be discussed here].

### Reliance on the work of the client’s Internal Audit department

[For further guidance, refer to OAG Audit 6030 and the information included in **OAG Audit 2331**under “Consolidation Process.” Amend to reflect the extent to which reliance will be placed on the work of Internal Audit.]

### Relevant comments on the internal control structure (OAG Audit 5031)

[If appropriate, include an overview of the group’s control design for each of the five components of internal control and any other information relevant to the component teams’ understanding of internal controls, possibly including a copy of internal control instructions group management has issued to component management or a high level summary of our understanding the company’s internal control (including entity level controls).]

### The group engagement team’s involvement in your work (OAG Audit 2341)

[As the group engagement team with ultimate responsibility for managing and achieving quality of the group audit engagement, we will apply judgment to determine the nature, timing and extent of our involvement in the direction and supervision of your team and the review of the work performed. Our involvement may comprise:

* Participating in discussions and decisions relating to significant judgments in areas such as risk assessment, and determining the audit strategy and plan;
* Communicating with you throughout the course of the audit;
* Reviewing your audit work and related documentation; and
* Reviewing, based on the judgment of the group engagement leader, formal written communications prepared to component management, those charged with governance of the component and/or regulatory authorities of the component, that are relevant to the group audit, before they are issued.]

[Insert details of how the group engagement team intends to be involved in the work of components on a timely basis, e.g. discussing significant business activities, discussing risk of material misstatements, by communicating the dates of planned visits to the component auditors, or dates of planned meetings with component management and the component auditors.]

### Engagement letters (OAG Audit 2325)

[Amend this section to reflect any specific requirements of the group relating to engagement letters].

### Approach to involvement of specialists (OAG Audit 3101)

[Amend to reflect how specialists, e.g. IT Audit specialist, will be involved in the audit. Specific matters e.g. required IT specialist involvement at a component, extent of testing to be undertaken by IT at group level versus component level, etc., should be communicated to component auditors to the extent that it is relevant to them].

### Procedures relating to Intra-group balances and unrealized profits (OAG Audit 9031 and 2361)

[It is the responsibility of the group engagement team to perform procedures relating to the consolidation, including elimination of intra-group balances. However if component auditors are expected to perform any procedures in this regard, these procedures should be communicated here.]

### Going concern (OAG Audit 2341)

[Insert the procedures or communications the group auditor requires to be performed by component auditor as it relates to going concern].

### Litigation and claims (OAG Audit 2341)

[Insert the procedures or communications the group auditor requires to be performed by component auditor as it relates to litigation and claims].

### Subsequent events procedures (OAG Audit 2341)

[Insert the procedures, if any, the group auditor expects the component auditor to perform relating to subsequent events procedures. Subsequent events procedures are required to be performed by the component auditor when performing an audit of the financial information of the component using component materiality. For the component auditor performing an audit of one or more account balances, classes of transactions or disclosures, specified audit procedures or a review of the financial information of the component, using component materiality, the component auditor will be asked to notify the group auditor only if they become aware of subsequent events that may require an adjustment to or disclosure in the group financial statements, but will not be required to perform specific procedures unless specifically requested].

### Management representation letter (OAG Audit 2343)

[Insert engagement policy concerning the request for representation letters from component management in connection with the group audit work. This should include how specific provisions / representations for inclusion in either the group or component representation letters should be communicated between teams. Include a request for a written representation on component management’s compliance with the applicable financial reporting framework, or a statement that differences between the accounting policies applied to the financial information of the component and those applied to the group financial statements have been disclosed,]

### Statutory audit opinion (OAG Audit 2331)

[Amend this section to reflect engagement policies relating to statutory opinions, e.g. whether the component auditors are required to send a copy of the statutory financial statements to the group engagement team, etc.].

### Audit Committee (or equivalent) report (OAG Audit 2343)

[Amend this section to reflect group engagement requests relating to reports to the audit committee (or equivalent) to facilitate the communication of matters that the component auditor communicated to those charged with governance, e.g. whether the component auditors are required to send a copy of the component audit committee report to the group engagement team, etc.].

### Communication protocols and key contacts (OAG Audit 2341)

[Amend to reflect the type of matters that should be communicated to component management, group management and the group engagement team, including the preferred method of communication and other communication protocols. Also include a list of the key contacts in the group engagement team—refer Appendix F].

### Timetable and due dates

The related reporting requirements and due dates are summarized in the timetable in [Appendix E].

### Summary of Appendices

|  |  |
| --- | --- |
|  | *Appendix reference* |
| Acknowledgement of Receipt | A |
| Listing of components, materiality and SUM levels and scope | B |
| Significant risks identified at group level as being relevant to components | C |
| Memorandum of Work Performed | D |
| Timetable and due dates | E |
| List of key group engagement team contacts | F |
| Summary of Uncorrected Misstatements Template | G |
| List of Related Parties identified by the Group | H |

# APPENDIX A

[Date]

To: Office of the Auditor General of Canada [insert office of Group engagement team]

From: Office of the Auditor General of Canada [insert office of component auditor]

Acknowledgement of Receipt

This letter is provided in connection with your audit of the group financial statements of [name of parent] for the year ended [date] for the purpose of expressing an opinion of whether the group financial statements [present fairly, in all material respects OR give a true and fair view of] the financial position of the group as at [date] and its financial performance and cash flows for the year then ended in accordance with [indicate applicable financial reporting framework].

We acknowledge receipt of your instructions dated [insert date] requesting us to perform the specified work on the financial information of [name of component] for the year ended [date].

We confirm that:

1. We will be able comply with your instructions. / We advise you that we will not be able to comply with the following instructions [specify instructions] for the following reasons [specify reasons].
2. The instructions are clear and we understand them. / We would appreciate it if you could clarify the following instructions [specify instructions].
3. We will cooperate with you and provide you with access to relevant audit documentation, [subject to local laws and regulations [specify limitations and the reason for the limitation]].

We acknowledge that:

1. The financial information of [name of component] will be included in the group financial statements of [name of parent].
2. You may consider it necessary to be involved in the work you have requested us to perform on the financial information of [name of component] for the year ended [date].
3. You intend to evaluate and, if considered appropriate, use our work for the audit of the group financial statements of [name of parent].

In connection with the work that we will perform on the financial information of [name of component], a [describe component, for example, a wholly owned subsidiary, subsidiary, joint venture, investee accounted for by the equity or cost methods of accounting] of [name of parent], we confirm the following:

1. We will draw to your attention those matters arising from our work on the financial information of [insert name of component] which we believe you should be aware of in your audit of the group financial statements.
2. We have an understanding of Canadian Auditing Standards and [indicate other national standards applicable to the audit of the group financial statements] that is sufficient to fulfil our responsibilities in the audit of the group financial statements and will conduct our work on the financial information of [name of component] for the year ended [date] in accordance with those standards.
3. We possess the special skills (for example, industry specific knowledge) necessary to perform the work on the financial information of the particular component.
4. We [have an understanding of [identify applicable financial reporting framework or group accounting manual applicable to group financial statements] that is sufficient to fulfil our responsibilities in the audit of the group financial statements] OR [will report on [insert name of component]’s compliance with the group accounting manual].
5. [We will follow the OAG Code of Values, Ethics and Professional Conduct].

With regards to items 1-5 above please note the following:

[Please list exceptions, if any].

We will ascertain if transactions coming to our notice in the course of our examination were, in all significant respects, in accordance with [specified authority instruments]. These authorities include: the [name of the parent] Act and regulations, Part X of the Financial Administration Act and regulations, any directives issued by the Governor in Council [or where permitted by enabling legislation, the responsible Minister] to the Corporation and the by‑laws of [name of the parent].This comes from your obligation as legislative auditors for Parliament, to assess [name of parent]’s compliance with significant authority instruments.

We will consider in the course of our examination whether we have become aware of any “other matters” that, in our opinion, should be brought to the attention of Parliament. This also comes from your obligation as legislative auditors for Parliament, to consider other matters falling within the scope of the audit of [name of the parent].

The engagement team responsible for the audit is as follows:

| Name | Role |
| --- | --- |
| [insert name] | Assistant Auditor General |
| [insert name] | Engagement leader—Principal |
| [insert name] | Director |
| [insert name] | Audit Project Leader |
| [insert name] | Audit Professional |
| [insert name] | IT Audit Director |
| [insert name] | IT Audit, Audit Project Leader / Audit Professional |

Risk assessment, including Fraud

Refer to attached documents.

Attach your completed “Audit Planning Template.” You should ensure that it includes risks of material misstatement identified by the Group as relevant to your component and communicated to you in Appendix C to the Letter of Instruction, as well as risks of material misstatement identified by your team. You should also ensure that any significant risks related to compliance with authorities are included.

Related parties not already identified by the Group in Appendix H

Indicate if during your planning stage, you identified any related parties other than those listed by the Group in Appendix H to the Letter of Instruction. If so, specify the parties and their relationship to the component and include any preliminary information on the component’s transactions with them.

We will inform you of any changes in the above representations during the course of the work on the financial information of [insert name of component].

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[insert name]

Engagement Leader—Principal

[Component auditor office]  
240 Sparks Street  
Ottawa, Ontario  K1A 0G6

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

# APPENDIX B

[Group audit teams should determine the level of specificity to provide component teams based on specific engagement facts and circumstances. Group audit teams may consider it more appropriate to send this Appendix to teams on an individual (component team by component team) basis rather than sending the full schedule to all component teams.]

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Component | Office | Subject matter and Nature of work to be performed (examples) | Overall Materiality | Performance Materiality | Materiality for particular classes of transactions, account balances or disclosures | SUM de minimis level | Involvement of the group engagement team\* |
| [Component A] | Office A | [insert] | [insert] | [insert] | [insert] | [insert] | [insert] |
| [Component B] | Office B | [insert] | [insert] | [insert] | [insert] | [insert] | [insert] |
| [Component C] | Office C | [insert] | [insert] | [insert] | [insert] | [insert] | [insert] |

\* – this is an optional communication under OAG Audit 2341, so group engagement teams may choose not to communicate this here.

Specified audit procedures to be performed:

If component audit is to be conducted in accordance with ISAs, insert audit procedures as required to be performed to move from ISA to Canadian GAAS

# APPENDIX C

From: [insert name of group company] Group engagement team

To: [insert name of group company] component auditors

[The group engagement team takes responsibility for completion of the overall fraud risk assessment memo; therefore, insert the planning section of the memo or similar document that includes overall fraud risk assessment and planned audit responses, including planned procedures by location].

Significant risks identified at group level as being relevant to components—[insert year end]

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Significant risk | Financial reporting area and assertions | Management’s controls | Proposed audit response | Components to which the risk is applicable |
| [insert risk #1] | [insert] | [insert] | [insert] | [insert] |
| [insert risk #2] | [insert] | [insert] | [insert] | [insert] |

# APPENDIX D

|  |  |
| --- | --- |
| [Name of component]  Memorandum of Work Performed for the year ended [insert year end] | |
| Addressee | To the [parent company name] Group engagement team[[2]](#footnote-2) |
| Restriction of use | This memorandum is intended solely for the use of Office of the Auditor General of Canada—[office of group engagement team] in connection with the audit of the group financial statements of [name of parent company] and should not be used for any other purpose. The matters raised in this memorandum are only those that have come to our attention arising from our work on the financial information of [insert name of component], which was performed in accordance with the [insert name of parent company] Interoffice Letter of Instruction (‘Instructions’) dated [insert date]. |

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| --- |
| SCOPE OF THE WORK PERFORMED BY US |
| The scope of the work performed by us on the financial information of [insert name of component] was in accordance with the Instructions dated [insert date] received from you. [Specify any deviations (increase or otherwise) from instructed scope or any limitations placed on you in performing the requested scope]. |

|  |  |
| --- | --- |
| IDENTIFICATION OF FINANCIAL INFORMATION BEING REPORTED ON | |
| Reports | [Insert financial information being reported on, e.g. Financial Statements, Plates, etc.] |
| Financial information | [Tailor as appropriate]  *In Canadian Dollars:* Current year Prior year  Revenue [xxx] [xxx]  Net Income [xxx] [xxx]  Total assets [xxx] [xxx]  Shareholder’s equity [xxx] [xxx] |
| FRAUD | |
| [We performed the procedures as requested. [The following OR No instances of fraud requiring your attention were noted].] | |

|  |  |
| --- | --- |
| SIGNIFICANT RISKS AND OUR RESPONSES | |
| Significant risk 1 | [Description of significant risk 1] |
|  | [Impacted accounts and assertions] |
|  | [Management controls in place to address the risk] |
|  | [Procedures performed by us, including any significant judgements made] |
|  | [Results] |
| Significant risk 2 | [Description of significant risk 2] |
|  | [Impacted accounts and assertions] |
|  | [Management controls in place to address the risk] |
|  | [Procedures performed by us, including any significant judgements made] |
|  | [Results] |

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| --- |
| REPORT CLEARANCE SUMMARY |
| Please refer to the completed Report Clearance Summary attached.  [Attach completed Report Clearance Summary] |

|  |
| --- |
| LAWS AND REGULATIONS |
| [*The following* OR *No* instances of non‑compliance requiring your attention were noted] |

|  |
| --- |
| INDICATORS OF MANAGEMENT BIAS |
| [*The following* OR *No* indicators of management bias were detected by us] |

| SIGNIFICANT MATTERS | |
| --- | --- |
| Matter 1 | Description of the matter  [Provide a succinct description of the matter in one or two sentences.] |
|  | Background facts and circumstances  [Describe the facts and circumstances underlying the matter. Be concise and use “plain English,” taking care to include only the facts and circumstances that are relevant to the matter.] |
|  | Evidence obtained  [Describe the audit procedures performed by the team and summarize all evidence obtained on the matter including supporting or opposing evidence. Where appropriate, include links to other more detailed documentation on file.] |
|  | Technical reference and analysis, including implication(s) of the matter  [Present possible alternative views, along with arguments that support such alternatives, the impact that the alternatives might have on current and future financial statements, and the rationale for accepting or rejecting the alternatives. Consider our decision‑making philosophy when determining acceptable alternatives.] |
|  | Results of consultations, if applicable  [Summarize results of consultations that should be agreed with those consulted, with evidence of that agreement (if applicable, including alternative views or positions that were discussed and the rationale for rejecting them). The general guidance for documenting consultations is contained in OAG Audit 3081.] |
|  | Record of discussion  [Summarize discussion with management and others on the issue, including when and with whom the matter was discussed.] |
|  | Inconsistent information  [If the engagement team has identified any information that contradicts or is inconsistent with the team’s final conclusion, document how the contradiction or inconsistency was addressed in forming the final conclusion.] |
|  | Final conclusions  [State final conclusions reached and basis thereof.] |
| Matter 2 | Description of the matter  [Provide a succinct description of the matter in one or two sentences.] |
|  | Background facts and circumstances  [Describe the facts and circumstances underlying the matter. Be concise and use “plain English,” taking care to include only the facts and circumstances that are relevant to the matter.] |
|  | Evidence obtained  [Describe the audit procedures performed by the team and summarize all evidence obtained on the matter including supporting or opposing evidence. Where appropriate, include links to other more detailed documentation on file.] |
|  | Technical reference and analysis, including implication(s) of the matter  [Present possible alternative views, along with arguments that support such alternatives, the impact that the alternatives might have on current and future financial statements, and the rationale for accepting or rejecting the alternatives. Consider our decision‑making philosophy when determining acceptable alternatives.] |
|  | Results of consultations, if applicable  [Summarize results of consultations which should be agreed with those consulted, with evidence of that agreement (if applicable, including alternative views or positions that were discussed and the rationale for rejecting them). The general guidance for documenting consultations is contained in OAG Audit 3081.] |
|  | Record of discussion  [Summarize discussion with management and others on the issue, including when and with whom the matter was discussed] |
|  | Inconsistent information  [If the engagement team has identified any information that contradicts or is inconsistent with the team’s final conclusion, document how the contradiction or inconsistency was addressed in forming the final conclusion.] |
|  | Final conclusions  [State final conclusions reached and basis thereof.] |

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| --- |
| SUMMARY OF UNCORRECTED MISSTATEMENTS |
| [No uncorrected misstatements were noted OR Please refer to attached Summary of Uncorrected Misstatements. All items have been discussed and agreed with component management]. |

|  |
| --- |
| SUMMARY OF ADJUSTED DIFFERENCES |
| [No adjusted differences were noted OR Please refer to attached summary of adjustments. All items have been discussed and agreed with local management.] |

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| --- |
| SUBSEQUENT EVENTS REVIEW (if applicable) |
| [We performed the procedures as requested. [*The following* OR *No* items requiring your attention were noted] |

|  |
| --- |
| SPECIFIC REPRESENTATIONS FROM GROUP MANAGEMENT |
| [*No* OR *The following* representations relating to [name of component] should be included in the letter of representation obtained from group management].  And we had [or had not obtained] separate management representations from component management. |

|  |
| --- |
| GOING CONCERN STATUS OF COMPONENT (if applicable) |
| [*The following* OR *No* items requiring your attention were noted] |

|  |
| --- |
| LITIGATION AND CLAIMS (if applicable) |
| [*The following* OR *No* items requiring your attention were noted] |

|  |
| --- |
| OTHER MATTERS TO BE COMMUNICATED TO THE GROUP’S AUDIT COMMITTEE |
| [*The following such as fraud or suspected fraud* OR *No* items requiring your attention were noted] |

|  |
| --- |
| OVERALL FINDINGS, CONCLUSIONS OR OPINION |
| [Include your overall findings, conclusions or opinion. OR Please refer to our attached Stand‑Alone Report.] |

|  |
| --- |
| COMPLIANCE WITH ETHICAL REQUIREMENTS, INCLUDING THOSE RELATED TO INDEPENDENCE |
| We confirm that we have complied with the *OAG Code of Values, Ethics and Professional Conduct* [and the additional ethical requirements under the Code of Ethics of [name of territory]], including independence and professional competence. We further confirm that [no engagement team member is a member of [territory governing authority body] / any engagement team member who is a member of [territory governing authority body] has complied with the Code of Ethics of [body]].  Breaches of independence requirements  [No breaches of independence requirements were identified during the year] OR [Actual independence breaches have been recorded.]  Breaches of other ethical requirements  [No breaches of other relevant ethical requirements were identified during the year.] OR [Breaches of other relevant ethical requirements have been communicated to you.]  Threats to compliance with independence requirements  [No threats to compliance with independence requirements were identified during the year] OR [Threats to compliance with independence requirements have been communicated to you.] |

|  |
| --- |
| OTHER MATTERS |
| [We confirm that, apart from the matters noted above, we have not become aware of any other matters relating to the financial information of [insert name of component] or the group financial statements of [insert name of parent company] that we should report to you under CAS 600.41 **OR** We wish to draw your attention to the following matters not included above: <insert as appropriate>]  We also confirm that we have complied with all your requirements, as set out in your Instructions dated [insert date]. |

Yours faithfully,

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Engagement Leader—Principal Date

[Component auditor office]

# APPENDIX E

Timetable and due dates

|  |  |  |
| --- | --- | --- |
| Deliverable / Event | Date due | Appendix |
| Acknowledgement of Receipt | [insert date] | A |
| Interim reporting | [insert date] | None |
| Summary of Uncorrected Misstatements | [insert date] | G |
| Memorandum / Report of work performed | [insert date] | D |
| Subsequent events review | [insert date] | None |
| Stand-alone audit opinion and any written communication on any significant matters | [insert date] | None |
| Other 1 | [insert date] |  |
| Other 2 | [insert date] |  |

# APPENDIX F

List of key Group engagement team contacts

|  |  |
| --- | --- |
| Contact | Role |
| [Name 1] | Assistant Auditor General |
| [Name 2] | Engagement leader—Principal |
| [Name 3] | Director |
| [Name 4] | Audit Project Leader |
| [Name 5] | Audit Professional |
| [Name 6] | IT Audit Director |
| [Name 7] | IT Audit, Audit Project Leader / Audit Professional |

# APPENDIX G

Summary of Uncorrected Misstatements

[Obtain Summary of Uncorrected Misstatements template from the Intranet, and include as Appendix G of the Interoffice Letter of Instructions]

# APPENDIX H

List of Related Parties identified by the Group

The [Group Engagement Team] has identified the following related parties for the Group:

|  |  |
| --- | --- |
| Related party | Nature of relationship |
|  |  |
|  |  |
|  |  |
|  |  |

1. Group instructions should, to the extent possible and practical, focus on changes from the prior year [↑](#footnote-ref-1)
2. This memorandum is for use of component auditors to communicate the results of their work to the group engagement team. All factual information should be agreed with component management before the memorandum is issued to the group engagement team. Component auditors and the group engagement team should use their discretion in deciding which parts of this memorandum, if any, may be shared with component and/or group management. Any information that may lead the client to identify or predict our auditing procedures or particularly sensitive matters should not be shared. [↑](#footnote-ref-2)