[Date]

Administration Memorandum of Acknowledgement of Joint Audit Relationship

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### Administration Memorandum of Acknowledgement of Joint Audit Relationship

[Client Name]

[Fiscal year]

The Government of Canada has appointed the Auditor General of Canadaand [name of the co‑auditor] as joint auditors of the [name of the entity]. Together, we shall be reporting to the [name the responsible Minister (or the Board)] on the results of our examination of the annual financial statements (or special examination) of the [name of the entity] for the year ended [date]. The purpose of this memorandum is to confirm our mutual understanding of the joint auditor relationship between the Auditor General of Canada and [name of the co-auditor] (collectively, “the Auditors” and individually, an “Auditor”) and to acknowledge the following administrative arrangements. This acknowledgement in no way alters our legislative authority and powers under the *Auditor General Act*, the *Financial Administration Act* (FAA)[, and the [name of the entity]*Act* if applicable]:

1. The objective of the audit engagement with respect to [entity name] is to express our opinion in a joint Auditors’ Report signed by the Auditors on the annual financial statements (or joint examiners’ report) in accordance with the requirements of the FAA. Under this engagement, each Auditor assumes an obligation for the entire audit.
2. The audit strategy has been, or will be jointly determined. The audit work required to effect the strategy will be allocated equally between the Auditors. This allocation will take into account areas of risk and a mutually agreed rotation plan for the audit work.
3. Each Auditor acknowledges their responsibility to plan and perform their share of the audit work, exercising due care. This includes determining the nature, extent and timing of audit procedures and performing procedures such that, in their professional judgment, the risk of not detecting a material misstatement in the financial statements (or significant deficiency) is reduced to an appropriately low level. Each Auditor continues to be responsible for the entire engagement and must be satisfied that Canadian generally accepted auditing standards and the CPA Canada standards for assurance engagements have been met by both Auditors.
4. Each Auditor will have access to review the other’s working paper files, which form the basis of our joint audit opinion. Access includes providing requisite hardware and software and other necessary assistance where working papers are in electronic form. Each Auditor undertakes to respond to queries as a result of such review or the application of the other Auditor’s quality management system. The working papers related to each Auditor’s allocated responsibility will remain in the possession of that Auditor and each Auditor retains ownership of the copyright and all other intellectual property rights contained in its advice and working papers. The use or distribution of proprietary tools and software will be restricted to the audit staff on this engagement. The audit papers should be accessible for any practice inspection as required. Each Auditor will retain its working paper files in readable form for a period of no less than seven years.
5. Recognizing that this memorandum in no way alters our legislative authority and powers and that the working paper files contain information that is proprietary and confidential to each Auditor as described in paragraph 4, the other Auditor hereby agrees to keep such information confidential and not use such information for any purpose other than the audit of the [entity name]. This obligation of confidentiality will not apply to information which:
6. was known to the recipient Auditor prior to disclosure by the disclosing Auditor,
7. is lawfully obtained by the recipient Auditor from a third party under no obligation of confidentiality,
8. is or becomes generally known or publicly available other than by unauthorized disclosure,
9. was independently developed by the recipient Auditor, or
10. is permitted or required to be disclosed by operation of law.
11. Each Auditor will advise the other, on a timely basis, of any significant issues, or matters that come to their attention in connection with the audit of the [entity name], that could reasonably be expected to affect the Auditors’ joint report in respect of this audit. This includes disagreements with management and consultations by management about auditing or accounting matters. Such matters will be discussed with the other Auditor prior to communication with senior management, the audit committee or the Board of Directors. Both parties acknowledge that all formal communications to the entity usually associated with the annual audit such as audit planning and findings reports to the audit committee and management letters will be joint and prepared in a manner acceptable to both parties.
12. The terms set out in this letter apply to the statutory financial audit (or special examination) of the [entity name]that is to be jointly carried out by the Auditors for the year ended [year-end].

The above terms are acknowledged:

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| --- | --- |
| The Office of the Auditor General of Canada | [Co-auditor’s name] |
| By: |  | By: |  |
|  |
| Date: |  | Date: |  |