[Date]

Successor Auditor Waiver Letter

Jun-2019

Template Owner: Audit Services

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Template letter to send to successor auditor when the successor auditor requests to review completed working papers for the purpose of CAS 510 and for the purpose of using our work to support the audit of the financial statements under the transition of auditors (predecessor-successor auditor relationship).

[Name of the recipient (successor auditor)]

[Title]

[Name of recipient organization]

[Building name]

[Street number and name, Floor, Tower, Suite]

[City, Province]  [Postal code]

Dear [Civil title and surname of the recipient]:

We have previously audited, in accordance with Canadian generally accepted auditing standards, the [consolidated] financial statements of [Entity] [and its subsidiaries] (the entity) as at [31 December 2018] and [31 December 2017] and for the years then ended. Our auditor’s report on these [consolidated] financial statements was dated [report date].

We have neither issued an auditor’s report nor performed any audit procedures since the auditor’s report date, [report date]. Significant events may well have occurred since this date. This letter does not constitute a reissuance of our auditor’s report.

You have requested access to our working papers prepared in connection with the above-mentioned audits. We understand the purposes of your review are to

* use the information contained in our working papers in forming your audit opinion on the entity’s [consolidated] financial statements as at [31 December 2018] and [1 January 2018] and for the year ended [31 December 2018];
* assist you in complying with the requirements of Canadian Auditing Standard 510, Initial Audit Engagements—Opening Balances (CAS 510); and
* obtain information regarding the entity to assist you in planning your [31 December 2019] audit.

The entity has authorized us to allow you to review our working papers solely for these purposes. Under the Rules of Professional Conduct of [Institute or Order], we are required to promptly transfer to the entity or, on the entity’s instructions, to the successor, all property of the entity we have in our possession. Therefore, we will transfer only those documents that are the property of the entity, unless the working papers contain reasonable and necessary information that should be supplied to a successor auditor. Consequently, it is understood that certain working papers will not be made available, if we do not consider them to be reasonable and necessary information that should be supplied to you.

Our audits of the entity’s [consolidated] financial statements as at [31 December 2018] and [31 December 2017] and for the years then ended, as well as the working papers prepared in connection therewith, were not planned or conducted for the purpose of your review.

Therefore, items of possible interest to you may not have been specifically addressed, or if addressed, not reflected in the working papers. During the course of our audit, our use of professional judgment and our assessment of audit risk and materiality means that matters may have existed that would have been assessed differently by you. We make no representation as to the sufficiency, accuracy, completeness or appropriateness of the information in our working papers for your purposes.

Because your review of our working papers is undertaken for the purposes described above, you agree to the following:

* The information obtained from your review will not be used by you for any other purpose.
* Except if required by Rules of Professional Conduct, you will not comment, orally or in writing, to anyone as a result of your review regarding whether our audits were performed in accordance with Canadian generally accepted auditing standards.
* You may use the information contained in our working papers [or provided in response to your questions] as part of your audit evidence as contemplated by [CAS 510.06(c)], but it is your responsibility to make your own conclusions as to the sufficiency, accuracy, completeness or appropriateness for the above-mentioned purposes.
* We are not taking on additional responsibilities that we would not otherwise have by giving you access to our working papers.
* You release us from any claims that may arise from or relate to our working papers, granting you access to our working papers, answering your questions, and/or your audit of the current [or subsequent] periods. The foregoing release extends solely to the subject matter of this letter.

At our discretion, copies may be provided of those working papers that you request. You agree to subject any such copies or information otherwise derived from our working papers to your normal policy for retention of working papers [if more restrictive retention is requested, so describe] and protection of the entity’s confidential information. [[1]](#footnote-1)

Please confirm your agreement with the foregoing by signing and dating a copy of this letter and returning it to us.

Yours sincerely,

[to be signed—Office of the Auditor General of Canada]  
240 Sparks Street  
Ottawa, Ontario  K1A 0G6

Acknowledged and agreed:

[Name of successor auditor]

By:

|  |  |  |
| --- | --- | --- |
|  |  |  |
| [Name] [Title] |  | [Date] |

1. The engagement leader should consider whether there is a particular risk or sensitive position that would necessitate OAG’s being advised in the future if the successor auditor has received a third-party request for access to its working papers prepared in connection with its audits of the entity and where our working papers have been included in such files. In such a case, the following wording should be added to this paragraph:

   In the event of a third-party request for access to your working papers prepared in connection with your audit(s) of the entity, you agree to request and obtain our permission before allowing any such access to any of our working papers, and to obtain on our behalf any releases that you obtain from such third party with respect to your working papers. Furthermore, in the case of a subpoena or other regulatory, statutory, or court order seeking access to any of our working papers, you agree to notify us promptly on receipt of the subpoena or other order and to provide us a copy thereof. [↑](#footnote-ref-1)