[Date]

Entity PX Draft Audit Report Letter (for special examinations)

Aug-2022

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[Civil title, Name and Surname of the recipient—usually head of Crown corporation]

[Title]

[Crown corporation name]

[Building name]

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

[City, Province]  [Postal code]

Dear [Civil title and surname of the recipient]:

We are providing you and the persons you identified with electronic access to the principal’s draft report on our special examination of [the Name of Crown corporation]. The final version of this document will be submitted to the Board of Directors.

[*Select from the following as agreed with the audited entity:*] As agreed, we are providing the draft in [English/French] *or* [both official languages].

We are satisfied that the evidence we have on file supports the contents of this draft special examination report. At this stage, we are providing you with the draft special examination report so that you may validate the facts that underpin our findings. We would appreciate obtaining comments on

* the validity and completeness of the facts as expressed, and
* any facts pertinent to a finding not noted in the draft that should be brought to our attention.

During the meeting with your management team, we would like to discuss any factual errors, omissions, context changes, or new information. At the same time, we would like to discuss our proposed recommendations and the corporation’s likely responses. We can also plan additional meetings, if necessary.

We also ask that you provide us with a written confirmation that your corporation has provided us with all information of which you are aware that has been requested or that could significantly affect the findings or the conclusion of the special examination report. We expect that your corporation has informed us of all Cabinet confidences relevant to the audit of which you are aware, and that the information includes those Cabinet confidences to which we are entitled and that are within your authority to provide to us.

A suggested standard confirmation letter is enclosed. Please provide the written confirmation and comments on the draft special examination report no later than[**day month year**][*three weeks from the date of receipt of this letter by the entity*]**.**

Please also provide by this date any supplementary evidence required to support proposed changes to the facts presented in the special examination report. We also ask that you inform us of any developments that are material to the content of the special examination report that have arisen up to this date (either during or since the examination period), if you have not already done so. In order to prepare the report for submission to the Board of Directors and meet the requirements of auditing standards, we will not be able to consider any new evidence after this date.

In addition, we ask that you provide draft responses to our recommendations by [**day month year**]. If we revise our recommendations before that date, we will promptly provide you with any changes. The attached appendices outline our Office’s expectations regarding entity responses to recommendations and post-tabling action plans.

The draft special examination report is a controlled document and must be kept confidential. It is labelled “NOT TO BE COPIED, Property of the Office of the Auditor General of Canada, Protected A.” Therefore, until the final special examination report is made public, please treat this draft report accordingly.

We plan to issue the transmission draft special examination report to the [Audit Committee of the Board of Directors] by [**day month year**]. The transmission draft will contain any modifications arising from the fact validation process. It will include our recommendations and the [Crown corporation’s name]’s responses. It may also include changes proposed by our Office’s audit advisers and senior management. The special examination report, including Crown corporation responses to recommendations, may also be edited for clarity.

If you have any questions, please contact [Name of lead director] or me at 613-995-3708.

Yours sincerely,

[Name]
Principal (responsible for the audit)
240 Sparks Street
Ottawa, Ontario  (K1A 0G6)

Enclosures (3): Appendix A—Office of the Auditor General’s Expectations Regarding Entity Responses to Recommendations

 Appendix B—Expectations Regarding Post-Tabling Action Plans
Confirmation letter template

c.c.: [Name of OAG Principal with responsibilities for the entity], Principal (responsible for [name of the entity])

## Appendix A—Office of the Auditor General’s Expectations Regarding Entity Responses to Recommendations

By publishing the responses to our recommendations, we give the audited entity the opportunity to let the Board of Directors and Parliament know whether it agrees with the recommendations and to briefly describe the actions it intends to take and when it intends to take them.

The response must clearly indicate, in no more than 200 words, whether the entity agrees or disagrees with the recommendation.

* If the entity agrees with the recommendation, it should describe the specific actions it intends to take in response, and their timing.
* If the entity does not agree with the recommendation, it should state the reasons.
* The response must be specific to the recommendation.

Responses to recommendations should not be used to disagree with the audit findings. Any disagreements must either be resolved or, according to auditing standards, be described by the auditors in the main text of the audit report.

The response is expected to provide a basis for a potential future follow-up, including actions that the corporation’s senior management intends to take to respond to the recommendations, timelines for those actions, and clear accountability from senior management.

The Office of the Auditor General of Canada will not normally include in the final report

* general responses to or global comments about reports
* the corporation’s responses where no recommendations were made
* the corporation’s responses to any recommendations made in previous special examination reports

We reserve the right to edit responses for clarity, and we will not publish material that does not respond to a specific recommendation, that repeats material that is already in the main text, or that we believe to be false or misleading. The corporation will be informed of any significant changes made to the final responses.

The transmission draft special examination report to the Audit Committee of the Board of Directors will contain the full text, the recommendations, and the corporation’s draft responses. The team will ask the Chair of the Audit Committee to confirm, in writing, that the report is factually accurate and to comment on any disagreements. The team will also ask the Chair of the Audit Committee to confirm that the responses to the recommendations (in both official languages) are final.

Final responses must be received within the specified time frame to be included in the final report submitted to the Board of Directors.

If for any reason we do not receive your final responses by the deadline provided, we will print the following text at each point in the report where your response to our recommendation would normally appear:

[*name of the entity*] *did not confirm the facts in this report or provide a response to this recommendation in time to meet our publication deadline.*

Note that your organization is responsible for providing the responses in both official languages.

We expect that any concerns you may have about anything in the report will have been brought to our attention well in advance of the stated deadline. Therefore, we fully expect to publish your responses and not the above text.

## Appendix B—Expectations Regarding Post-Tabling Action Plans

Any Crown corporation that has been subject to a special examination by the Office of the Auditor General of Canada (OAG) must provide a detailed action plan to address the audit recommendations that have been agreed to—including specific actions, timelines for their completion, and responsible individuals—to the Public Accounts Committee and the Office of the Auditor General of Canada **within six months of the audit being tabled in the House of Commons**. A special examination report is tabled after the corporation’s board of directors has made it public.

Crown corporations invited to appear before the Public Accounts Committee to discuss the findings of an audit should, when feasible, provide an action plan to the Committee prior to the hearing and to the OAG.

Action plans and progress reports received by the [Public Accounts Committee](https://www.ourcommons.ca/Committees/en/PACP) are published on the Committee’s website.

### Confirmation Letter

[Date]

[Civil title, Name and Surname of the recipient—Audit Principal]

[Title]

Office of the Auditor General of Canada

240 Sparks Street

Ottawa, Ontario  K1A 0G6

Dear [Civil title and surname of the recipient]:

This is in response to your letter dated [day month year], regarding your special examination of [name of Crown corporation], which is planned to be submitted to the Board of Directors on [day month year].

I have reviewed the principal’s draft report for this special examination. In my capacity as the [title of the head of Crown corporation] of [name of Crown corporation], I confirm that [name of Crown corporation] has provided the audit team with all information of which I am aware that has been requested or that could significantly affect the findings or the conclusion of the special examination report. This assertion includes informing you of all Cabinet confidences relevant to the audit of which we are aware and providing copies of those to which you are entitled and that are within our authority to share with you.

Yours sincerely,

[Name]
[Title of the head of Crown corporation]