The management representation letter

Canada edition

[Client letterhead]

[Date: as near as practicable to, but not after, the date of the auditor's report]

[Audit firm name]
[Audit firm address]

PURPOSE OF THIS LETTER

This representation letter is provided in connection with your audit of the financial statements of [Client name] for the year ended [date], for the purpose of expressing an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of [Client name] in accordance with [Canadian accounting standards for private enterprises / IFRS Accounting Standards].

[Only if agreed with you: For the purpose of these representations, we have not treated as exceptions misstatements below $[amount], the threshold you communicated to us. This amount is not the materiality used for the financial statements.]

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

THE FINANCIAL STATEMENTS

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated [date], for the preparation of the financial statements in accordance with [the applicable framework]; in particular, the financial statements are fairly presented in accordance with it.

2. The methods, the data and the significant assumptions we used in making accounting estimates, and the related disclosures, are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of [the applicable framework].

3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with [the applicable framework].

4. All events after the date of the financial statements for which [the applicable framework] requires adjustment or disclosure have been adjusted or disclosed.

5. The effects of uncorrected misstatements are immaterial, individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached.

INFORMATION PROVIDED

6. We have provided you with access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;

additional information you requested for the purpose of the audit; and unrestricted access to persons within [Client name] from whom you determined it necessary to obtain audit evidence.

7. All transactions have been recorded in the accounting records and are reflected in the financial statements.

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud, and we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

9. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects [Client name] and involves management, employees who have significant roles in internal control, or others where the fraud could have a material effect on the financial statements.

10. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

11. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

12. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements, and they have been accounted for and disclosed in accordance with [the applicable framework].

13. We have disclosed to you the identity of [Client name]'s related parties and all the related party relationships and transactions of which we are aware.

MATTERS SPECIFIC TO THIS AUDIT

[Add any further representations the auditor has requested, such as those on going concern, on the intended use of particular assets, or on comparative information. Delete this section if there are none.]

SIGNED ON BEHALF OF MANAGEMENT

[Name], [President / Chief Executive Officer]

Signature _____

[Name], [Chief Financial Officer / Controller]

Signature _____

Attachment: summary of uncorrected misstatements

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