

Sample Letter – Auditor’s Independence

February 20, 201x

The Board of Directors (or the Audit Committee)
Sample View Regional Waste Management Services Commission
123 Main Street
Sampleburg, Alberta
T1X 1Z8

Dear Board/Audit Committee Members

I have been engaged to audit the consolidated financial statements of the Sample View Regional Waste Management Services Commission for the year ending December 31, 201x.

Canadian generally accepted auditing standards (GAAS) require that I communicate at least annually with you regarding all relationships between the Commission and me that, in my professional judgment, may reasonably be thought to bear on my independence. In determining which relationships to report, these standards require me to consider relevant rules and related interpretations prescribed by the appropriate provincial institute and applicable legislation, covering such matters as:

- a) holding a financial interest, either directly or indirectly, in a client;
- b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- d) economic dependence on a client; and
- e) provision of services in addition to the audit engagement.

I have prepared the following comments to facilitate my discussion with you regarding independence matters.

[I am not aware of any relationships between the Commission and me that, in my professional judgment, may reasonably be thought to bear on my independence that have occurred from January 1, 201x to December 31, 201x.

OR

I am aware of the following relationships between the Commission and me that, in my professional judgment, may reasonably be thought to bear on my independence. The following relationships represent matters that have occurred from January 1, 201x to December 31, 201x.

The total fees charged to the Commission for audit services were \$6,500 and for non-audit services were \$1,500 during the period from January 1, 201x to December 31, 201x. The Appendix provides an analysis of these services according to the types of services and dollar ranges agreed with you.]

GAAS requires that I confirm my independence to the audit committee. However, since the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta deal with the concept of independence in terms of objectivity, my confirmation is to be made in that context. Accordingly, I hereby confirm that I am objective with respect to the Sample View Regional Waste Management Services Commission within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta as of February 20, 201x.

This report is intended solely for the use of the audit committee, the council, Commission management, and others within the Commission and should not be used for any other purposes.

I look forward to discussing with you the matters addressed in this letter at our upcoming meeting on February 28, 201x.

Yours Truly,

PUBLIC ACCOUNTANTS