



AFOA CANADA
Building a Community of Professionals

APPOINTMENT TO AUDITOR

Sample Letter

AFOA.CA





[DATE]

[NAME Accounting Firm]
123 Main St.
Anyplace, Canada
A1B 2C3

Dear Sir/Madam

The Chief and Council of the XX First Nation has appointed your firm to undertake an Audit of our First Nation's books and accounts for the fiscal years ending March 31, 20X1, March 31, 20X2, March 31, 20X3. The audit must be conducted in accordance with Canadian Generally Accepted Auditing Standards (GAAS), and the financial statements must comply with Canadian Public Sector Accounting Standards (PSAS), unless otherwise specified. The audited financial statement will be used to report to our First Nation members regarding the utilization of First Nation funds, and to demonstrate to funding agencies that financial contributions to the First Nation were used for the purposes intended. The audited financial statements will also fulfill our obligations under the First Nations Financial Transparency Act (FNFTA), which requires publication of the statements and schedule of remuneration within 120 days of fiscal year-end.

As Auditor for the XX First Nation, you will have access at all reasonable times to all records, documents, books, accounts, and vouchers you consider necessary to report as requested. The audit should encompass all programs and funding sources, including any special reporting requirements such as CMHC housing programs or ISC contribution agreements. Please confirm your ability to provide any additional audit reports or schedules as required. You will be required to complete the audit complement and follow the audit guidelines outlined in Indigenous Services Canada's Financial Reporting Requirements (most recent edition).

Your examination should enable you to report whether, in your opinion, the financial statement of our First Nation presents fairly the First Nation's financial position, the results of operations, changes in net financial assets (net debt) and cash flows for the period under review, in accordance with Public Sector Accounting Standards, and applied on a basis consistent with that of the preceding period. You are also requested to make any other recommendations which you consider advisable regarding the First Nation's financial accounting system and internal controls. We expect a Management Letter outlining any findings or recommendations for improving our financial controls, systems, or governance practices. This letter will be reviewed by our Finance and Audit Committee and Chief and Council.

We request that your examination be scheduled so as to enable the First Nation Council to discuss and distribute the financial statement before July 31st. Council's approval of the audited financial statements will be documented by a First Nation Council Resolution or by signature of authorized officials at the bottom of the statement of financial position. Council's acceptance of the audited financial statements will be documented by a Band Council Resolution or by signature of authorized officials.

Please confirm your acceptance of this appointment and provide an audit engagement letter outlining the scope, standards, and deliverables.

Sincerely,

Chief _____
XX First Nation