*[Your Organization’s letterhead*]

DATE

**NAME OF LAW FIRM**

**ADDRESS**

**CITY, PROVINCE**

**POSTAL CODE**

**Privileged and Confidential**

 [Responsible lawyer(s) within the law firm]

We write this letter to you at the request of our auditors, pursuant to the Joint Policy Statement, effective December 1, 2016, between the Canadian Bar Association and the Auditing and Assurance Standards Board.

In connection with the preparation and audit of financial statements of [***Your Organization*]** for the fiscal period ended [insert fiscal year end], we seek your confirmation with respect to our evaluation of claims and possible claims on which your firm has represented or advised the following:

* *Your Organization’s Name*

[If applicable, insert the related entities that the law firm is retained by and to which the inquiry relates]

Please provide us, and our auditors, with your acknowledgment of receipt of this inquiry letter.

*[Inquiry to the Law Firm]*

Based on an examination of your records, we seek your confirmation, as of [insert effective date of response], of the following:

(a) The claims and possible claims listed are appropriately described;

(b) Our evaluation is reasonable; and

(c) All outstanding claims are included in this inquiry letter (other than any exclusions described below).

If there are outstanding claims omitted from this inquiry letter (other than any exclusions described below), we ask that you indicate in the response letter the names of the parties and the amount claimed.

If there are possible claims omitted from this inquiry letter (other than any exclusions described below), we ask that you contact us to discuss such items and the application of the Joint Policy Statement to those possible claims.

|  |  |
| --- | --- |
| *[Management’s Evaluation of Claims and Possible Claims]*Description  | Evaluation  |
| *[Indicate the following:* *• date of filing,* *• the names of entities,* *• the names of other parties,* *• nature of claim or possible claim,* *• amount claimed, and* *• current status]*  | [Indicate management’s evaluation of outcome of the possible claims, including the estimated financial effect. (Note 2)]  |

.

*[Matters Excluded from this Letter (Note3)]*

This letter does not include: [If applicable, describe the nature of matters in respect of which, and specific quantitative thresholds below which, claims and possible claims have been excluded from the inquiry letter.]

Therefore, in responding to this letter, you need not consider such matters.

*[Required Timing of Response]*

We would appreciate a response on or before [of [insert response date].

We understand that you will normally require five business days after the effective date of response to prepare your letter [or] *When the response date is within a period of less than five business days from the effective date of response, state*: We request a response date within a period of less than the typical five business days from the effective date of response due to [describe circumstances].

If you are unable to meet the response date, please advise us and our auditors as soon as practicable.

*[Replying to this Letter]*

Please address your reply, marked "Privileged and Confidential", to [***Your Organization*]** and send a signed copy of your reply directly to our auditors:

**Prentice Yates & Clark**

**15 Toronto Street, Suite 700**

**Toronto, ON**

**M5C 2E3**

*[Authorization to Communicate Directly with Our Auditors]*

We have authorized our auditors to request, if they deem necessary, an updated response letter(s) with a new effective date of response.

Yours truly,

[An authorized signatory on behalf of the entity and its related entities]

 [Name and title of authorized signatory]

cc: Prentice Yates & Clark

Note 1 Throughout these examples, the words in square brackets indicate where the example would be customized. The italicized headings in square brackets are meant to be explanatory for the preparers and would not be included in the letter.

Note 2 Management’s evaluation will need to conform to the financial reporting framework that management applies in the preparation of the financial statements. The law firm is not expected to be familiar with the applicable financial reporting framework or the accounting for an evaluation of claims or possible claims in order to respond to this request. See Schedule B for illustrations of management’s evaluation of claims or possible claims for inclusion in the inquiry letter.

 Note 3 Delete this section, if inapplicable