



# Receiver General Manual

## Chapter 17

---

Instructions to Crown Corporations and Other Reporting Entities for the 2012-2013  
Letter of Representation to the Auditor General of Canada  
and the Deputy Receiver General for Canada

---

**Last Updated: 2013-05-06**



**Receiver General Manual (RGM) – Chapter 17**  
**Version Tracking Summary Table**

**Please note:** Each time a chapter is revised and re-issued, the chapter is superseded by the latest one. The table below provides a revision number, as well as a summary of the significant changes that relate to each of the last 3 fiscal years. Vertical barring in the left-hand margin is used to identify changes in the latest revision to a chapter.

Chapter Version	Version Date	Summary of Significant Chapter Changes
Revision No. 9	2013-05-06	This chapter has been updated and must be read in conjunction with <a href="#">Chapter 18</a> , “Reporting Instructions for Crown Corporations and Other Reporting Entities”. The Letter of Representation (LOR) must be dated <b>June 10, 2013</b> and is due on or before <b>June 17, 2013</b> . Changes have been made to representation number 20 (Pension and Other Future Benefits).
Revision No. 8	2012-04-27	This chapter has been updated and must be read in conjunction with Chapter 18, “Reporting Instructions for Crown Corporations and Other Reporting Entities”. The Letter of Representation (LOR) must be dated <b>June 11, 2012</b> and is due on or before <b>June 18, 2012</b> .  Year-end requirements for representations have been updated from last year to comply with the implementation of new Canadian Auditing Standards (CAS). Therefore, new representations were added to the predrafted LOR (Representations 3, 11, 17, 18, 19, 20, 21, 22, 23, 24, 37 and 38).
Revision No. 7	2011-04-29	This chapter has been updated and must be read in conjunction with Chapter 18, “Reporting Instructions for Crown Corporations and Other Reporting Entities”. The Letter of Representation (LOR) must be dated <b>June 10, 2011</b> and is due on or before <b>June 17, 2011</b> .  Year-end requirements for representations have been updated from last year to comply with the implementation of new Canadian Auditing Standards (CAS). Therefore, new representations were added to the predrafted LOR (Representations 3, 4, 6, 14, 19, 21 and 22).

---

## Table of Contents

	<b>Title</b>	<b>Page</b>
17.1	Introduction	4
	17.1.1 Purpose and Scope	5
	17.1.2 Authority	5
	17.1.3 Application	6
	17.1.4 Instruction	6
17.2	Responsibilities	7
17.3	Definitions	8
17.4	Procedures	9
	17.4.1 Special reporting criteria	10
	17.4.2 Disclosure of exceptions	10
	17.4.3 Manuscript preparation	11
	17.4.4 Reporting requirements	13
	17.4.5 Certification	35
	17.4.6 Effective date	35
	17.4.7 Submission of Letter of Representation	36
17.5	Inquiries	37
<b>Appendices</b>		
	Appendix A – List of Crown corporations and Other Reporting Entities that are expected to provide a Letter of Representation on June 17, 2013 to the Auditor General and the Deputy Receiver General	38
	Appendix B – List of Crown corporations authorized to exercise Section 33 of the <i>Financial Administration Act</i>	41
	Appendix C – Excerpts of Sections 33 and 34 of the <i>Financial Administration Act</i>	42

---

## 17.1 Introduction

The audited consolidated financial statements of the Government of Canada with supporting notes and schedules are included in the [Public Accounts of Canada](#) which are tabled in Parliament and subsequently released to the general public. As part of the audit process, the Auditor General and the signatories to the consolidated financial statements of the Government of Canada, the Secretary of the Treasury Board of Canada, the Deputy Minister of Finance, the Deputy Receiver General for Canada and the Comptroller General of Canada obtain representations from the management of reporting organizations, i.e. various Crown corporations and other reporting entities, which form part of the Government's reporting entity and which have provided financial and other information to the Receiver General for publication in the *Public Accounts of Canada*. The representations confirm management's responsibilities with respect to proper recording of financial transactions in the accounts of Canada and where applicable, in the accounts of the reporting entity. Other representations cover the proper reporting of information to be included in the *Public Accounts of Canada*.

In addition, the Auditor General also obtains representations relative to the audited consolidated financial statements of the Government of Canada and the *Public Accounts of Canada* from the Deputy Receiver General for Canada, the Secretary of the Treasury Board of Canada, the Comptroller General of Canada and the Deputy Minister of Finance. In order for these individuals to make such representations to the Auditor General, it is necessary for the Deputy Receiver General to obtain supporting representations from Crown corporations and other reporting entities.

Financial information of Crown corporations and other reporting entities (see list in Appendix A) is either recorded as investments or consolidated with that of the Government for reporting purposes in the audited consolidated financial statements of the Government. Crown corporations and other reporting entities must submit representations to support the information pertaining to their activities that appear in the *Public Accounts of Canada* as they form part of the Government's reporting entity.

Several Crown corporations (see list in Appendix B) are also required to use the Consolidated Revenue Fund (CRF) or have been delegated authority to do so under [Section 33 of the Financial Administration Act](#) (FAA) (see Appendix C). Accordingly, some or all of their financial transactions are recorded in the accounts of Canada, and their financial information is disclosed in the *Public Accounts of Canada*. It must be stressed that those Crown corporations listed in Appendix B, which are required to use the CRF or which have been delegated authority under Section 33 of the FAA **must, whenever appropriate, make representations for those transactions recorded in the accounts of Canada and for those transactions that should have been recorded in the accounts of Canada.**

---

Information regarding insurance programs administered by agent Crown corporations also appears as a note to the audited consolidated financial statements of the Government of Canada. The Canada Deposit Insurance Corporation, the Canada Mortgage and Housing Corporation and the Export Development Canada are **to address the representation concerning insurance programs shown in subsection 17.4.4.**

### 17.1.1 Purpose and Scope

The purpose of this chapter is to identify the reporting requirements for the Letter of Representation (LOR), which must be submitted to the Auditor General of Canada and to the Deputy Receiver General for Canada. The Letter of Representation serves as a written confirmation by management to the Auditor General and to the signatories of the consolidated financial statements of the Government of Canada that management is responsible for the financial information to be included in the audited consolidated financial statements of the Government of Canada contained in the [Public Accounts of Canada](#). It also confirms that management has disclosed all important and relevant information to the external auditor.

Minor wording changes may be required to make a representation applicable to a particular Crown corporation or other reporting entity. Any change to the wording proposed by a reporting organization should be discussed with the contacts within Public Works and Government Services Canada (PWGSC) described in section 17.5, prior to their inclusion. In addition, the Deputy Receiver General and the Auditor General reserve the right to require amended wording, new inclusions or additional representations.

Letters of Representation are not published in the *Public Accounts of Canada*, but the Deputy Receiver General requires a **signed duplicate** of the representations made by each Crown corporation and other reporting entity to the Auditor General to support similar representations made to the Auditor General of Canada by the Deputy Receiver General for Canada, the Secretary of the Treasury Board of Canada, the Comptroller General of Canada and the Deputy Minister of Finance, pertaining to the reporting of financial information to be included in the audited consolidated financial statements of the Government of Canada contained in the *Public Accounts of Canada*.

### 17.1.2 Authority

The authorities for this chapter are [Sections 63 and 64 of the FAA](#) (R.S., c. F-11; 1985), which require the Receiver General to maintain the accounts of Canada and to prepare the *Public Accounts of Canada*, and [Section 6 of the Auditor General Act](#) which requires the Auditor General to examine and report on the audited consolidated financial statements of the Government of Canada contained in the *Public Accounts of Canada*.

---

In order to fulfill this responsibility, and in accordance with [Section 65 of the FAA](#) which allows the Receiver General to request appropriate information, and [Section 13 of the Auditor General Act](#), which entitles the Auditor General to require and receive appropriate information, the Receiver General and the Auditor General require annual Letters of Representation.

Failure or refusal to comply with this chapter therefore constitutes non-compliance with [Sections 63 and 64 of the FAA](#).

### 17.1.3 Application

This chapter applies to those Crown corporations and other reporting entities:

- that provide information that is accounted for by consolidation or disclosed in a note to the audited consolidated financial statements of the Government of Canada, including, but not restricted to Crown corporations listed in [Schedule III](#), Parts I and II of the FAA as well as a number of those not listed in the schedules of the FAA as they are exempt from the application of [Divisions I to IV of Part X](#) of the FAA and other reporting entities. (A list of Crown corporations and other reporting entities is presented in Appendix A of this chapter);
- which have been delegated authority under [Section 33 of the FAA](#). See Appendix B for a list of these Crown corporations with authority **for a portion of their business**.
- that administer insurance programs as agents of the Crown and provide data or information to compile the portion of the contingent liabilities note related to Insurance Programs that is contained in the Notes to the **Consolidated Financial Statements** of the Government of Canada; and,
- that, for whatever reason, are requested to provide a Letter of Representation by the Auditor General or Receiver General for Canada.

### 17.1.4 Instruction

All Crown corporations and other reporting entities, which meet the criteria described in section 17.1 and subsections 17.1.3 and 17.4.1, are required to submit a Letter of Representation in accordance with the procedures contained in subsections 17.4.2 and 17.4.3.

---

## 17.2 Responsibilities

Crown corporations and other reporting entities within the Government's reporting entity are required to submit a Letter of Representation to support CC forms submitted under RGM [Chapter 18](#) "Reporting Instructions for Crown Corporations and Other Reporting Entities".

- (a) The Chief Executive Officer of the reporting organization must:
- ensure that management's responsibility for the proper recording of financial transactions in the accounts of Canada, if applicable, and the proper reporting of financial transactions to be included in the [Public Accounts of Canada](#), is fully disclosed in the Letter of Representation.
- (b) The Chief Financial Officer of the reporting organization must:
- report all information required to the Deputy Receiver General;
  - disclose information pertaining to non-compliance with any representation described in subsection 17.4.4;
  - inform and obtain approval of any proposed wording changes to the predrafted Letter of Representation with the responsible officers at Public Works and Government Services Canada (for the Deputy Receiver General) as described in section 17.5; and,
  - prepare the Letter of Representation and ensure that it is dispatched by courier in a timely manner to the Auditor General with a **signed duplicate** to the Deputy Receiver General.

---

### 17.3 Definitions

The following terms, in alphabetical order, are defined for the purposes of this chapter, as follows:

**Audited consolidated financial statements** – of the Government of Canada appear in Section 2 of Volume 1 of the [Public Accounts of Canada](#) and consist of a Consolidated Statement of Operations and Accumulated Deficit, a Consolidated Statement of Financial Position, a Consolidated Statement of Change in Net Debt, a Consolidated Statement of Cash Flow and the Notes to the Consolidated Financial Statements of the Government of Canada.

**Chief Executive Officer** – the senior executive officer responsible for the management of a Crown corporation or other reporting entity.

**Chief Financial Officer** – the senior officer responsible for the financial affairs of a Crown corporation or other reporting entity.

**Consolidated Crown corporation** – a Crown corporation that relies on Government funding as its principal source of revenue.

**Crown corporation** – a corporation which at March 31, falls within the definition of [Section 83 of the FAA](#) or [Section 85 of the FAA](#). These include the corporations listed in [Parts I and II of Schedule III of the FAA](#) as well as the Bank of Canada, the Canada Council for the Arts, the Canadian Broadcasting Corporation, the Canadian Race Relations Foundation, the International Development Research Centre, the National Arts Centre Corporation and Telefilm Canada. It also includes any unconsolidated wholly-owned subsidiaries.

**Enterprise Crown corporation** – a Crown corporation that is able to raise substantial portions of its revenues through commercial business activities outside of the Government reporting entity and is self-sustaining.

**External auditor** – the Auditor General of Canada and any other independent professional accountant engaged by the Government, a Crown corporation or other reporting entity to examine and report on financial data, records, accounts, systems or statements.

**Government of Canada (Government)** – as a reporting entity, the Government of Canada comprises all organizations that are controlled by the Government.



---

**Letter of Representation** – a certificate which contains representations made by the Chief Executive Officer and the Chief Financial Officer of a Crown corporation or other reporting entity to the Auditor General and the signatories of the consolidated financial statements of the Government of Canada, confirming management’s responsibility for the proper recording of financial transactions in the accounts of Canada, if applicable, and for the proper reporting of financial information to be included in the [Public Accounts of Canada](#).

**Other consolidated entities** – other entities, as defined below, who rely on Government funding as their principal source of revenue.

**Other reporting entities** – organizations not listed in the FAA meeting the definition of control for financial reporting purposes. These organizations are included in the Government reporting entity if their revenues, expenses, assets, or liabilities are significant.

**Other Government Business Enterprises** – a corporation that is not considered a Crown corporation within the meaning of the FAA, but which is controlled by the Government and in most cases accountable to Parliament through a Minister of the Crown for the conduct of its affairs. It is however, not dependent on parliamentary appropriations and is able to raise substantial portions of its revenues through commercial business activities outside of the Government reporting entity and is self-sustaining. Refer to Appendix A for a list of other government business enterprises.

#### 17.4 Procedures

Each Crown corporation or other reporting entity within the Government’s reporting entity must prepare written representations on its own letterhead using the electronic copy of the [predrafted Letter of Representation](#) available upon request by sending an e-mail to: [PACControl.CPCControl@tpsgc-pwgsc.gc.ca](mailto:PACControl.CPCControl@tpsgc-pwgsc.gc.ca).

The predrafted Letter of Representation reflects the current status of the Government audit environment. Minor wording changes may be required to make a representation applicable to a particular Crown corporation or other reporting entity. Any proposed changes to the wording **must be** agreed to beforehand with the responsible officers from Public Works and Government Services Canada (for the Deputy Receiver General) as described in section 17.5. In addition, the Deputy Receiver General and the Auditor General reserve the right to require amended wording, new inclusions or additional representations. Disclosure of exceptions to the circumstances set forth in the predrafted Letter of Representation is required and the details to be disclosed are described in subsection 17.4.2.

---

It is possible that audit staff of the external auditor may not visit or request financial records from a particular Crown corporation or other reporting entity during a fiscal year for the purpose of the [Public Accounts of Canada](#). Consequently, some representations may not be entirely appropriate. Such representations must be indicated in an appropriate manner. **Nonetheless, a Letter of Representation is required of all Crown corporations and other reporting entities within the Government's reporting entity whether or not they have been visited by the audit staff of the external auditor.**

#### 17.4.1 Special reporting criteria

##### **Crown corporations exercising authority under Section 33 of the FAA**

Several Crown corporations, including the Canadian Dairy Commission, Telefilm Canada and Export Development Canada have been delegated signing authority under [Section 33 of the FAA](#) (see Appendix C). In addition, the Canada Mortgage and Housing Corporation administers certain programs for the Government. Some activities of these programs are recorded in the Consolidated Revenue Fund (CRF). These corporations must make representations, which are specifically mentioned in the predrafted Letter of Representation, for those activities that are recorded in the CRF.

#### 17.4.2 Disclosure of exceptions

Where it is necessary to include exceptions to the standard representations contained in the predrafted Letter of Representation, the following details, where applicable, must be disclosed:

- (a) identification of the account, program or vote affected;
- (b) specific authorities not adhered to (legislation, directives, circulars, regulations, etc.);
- (c) impact of the exception on the CC forms and supplementary reports required for the [Public Accounts of Canada](#) of the current fiscal year. The disclosure of particulars, including dollar amounts where appropriate, applies to each exception. It is not appropriate to net items; and,
- (d) additional information to further explain the exception.

---

### 17.4.3 Manuscript preparation

Letters of Representation **are not published in the *Public Accounts of Canada***, nor are they part of any published report. They are used by the Government and the Auditor General of Canada to support representations by Crown corporations and other reporting entities regarding proper recording and reporting of financial transactions and information in the *Public Accounts of Canada*.

The Letter of Representation must be jointly addressed to the Auditor General and the Deputy Receiver General with the original sent by courier to the Auditor General and a **signed duplicate** (not a photocopy) sent by courier to the Deputy Receiver General. The addresses are provided in subsection 17.4.7.

All amounts **must be** rounded to the nearest dollar.

All representations **must agree with CC forms, plates and manuscripts** containing financial information, on the basis of the Government's year end, to be included in the *Public Accounts of Canada*, as submitted to the Receiver General for Canada. If corrections are necessary to CC forms, plates or manuscripts previously submitted which affect the Letter of Representation, submit revised applicable pages of the Letter of Representation clearly marked as such and dated to the Deputy Receiver General and Auditor General. A brief letter of explanation should be included.

**Note:** A Letter of Representation or a similar document issued to an external auditor in support of the auditor's separate opinion on the entity's financial statements **will not** be accepted as a substitute unless it is in the prescribed format of the predrafted Letter of Representation, and covers the Government's fiscal year – April 1 to March 31. In addition, it must cover the period of time following the year end designated as a subsequent event period.

**The first page of the Letter of Representation must be prepared using the reporting organization's letterhead.**

Mandatory representations, which apply to all Crown corporations and other reporting entities, are specified below. Representation number 12 applies only to agent Crown corporations operating Insurance Programs. Crown corporations administering insurance programs must make representations for information submitted on form CC-10 for the fiscal year ending March 31.

---

Any proposed changes to the wording of the representations in the predrafted Letter of Representation must be agreed to beforehand with the responsible officers from Public Works and Government Services Canada (for the Deputy Receiver General) as described in section 17.5. In addition, the Deputy Receiver General and the Auditor General reserve the right to require amended wording, new inclusions or additional representations.

If a representation that is applicable to a reporting organization has a zero dollar closing balance to report, indicate “NIL” against the representation. Do not use “Not Applicable” or “N/A” and please **do not** delete the representation.

If a particular representation does not apply to a reporting organization, indicate “Not Applicable” or “N/A” against the representation.

**The following representations included in the predrafted Letter of Representation are mandatory to reporting organizations as specified below and, therefore, must not be answered by “Not Applicable” or “N/A”:**

Representations numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 36, 37, 38 and 39 apply to **all reporting organizations**.

Representation 12 applies only to Crown corporations and other government business enterprises **operating insurance programs**.

Representation 20 applies only to consolidated Crown corporations who have adopted International Financial Reporting Standards for their external financial reporting. Currently, it applies only to Atomic Energy of Canada Limited, Canadian Air Transport Security Authority, Canadian Broadcasting Corporation, Canadian Commercial Corporation, Canadian Dairy Commission, Defence Construction (1951) Limited, International Development Research Centre and Via Rail Canada Inc.

Representations 32, 33 and 34 apply only to those Crown corporations **exercising authority under [Section 33 of the FAA](#)**.

Representation number 35 applies only to **Export Development Canada**.

**Important:** Each representation must maintain the corresponding representation number assigned to it in the predrafted Letter of Representation.

---

#### 17.4.4 Reporting requirements

Each reporting Crown corporation and other reporting entity must consider each representation, and all exceptions must be reported, in the manner prescribed in subsection 17.4.2. In some instances, an example of exceptions for representations is provided in this section; however they **do not form** a set of examples based on specific circumstances of a particular reporting organization, but are intended as “stand alone” illustrations of exceptions reported in respect of “individual representations”.

Crown corporations and other reporting entities that are required to submit a Letter of Representation must be identified by their complete legal name. Space is provided in the introductory page (Page 1) of the predrafted Letter of Representation.

**Representations must be on the basis of the Government’s fiscal year ending March 31, i.e. April 1 to March 31, which is the basis of the information required by the CC forms.**

In the examples that follow, the term “reporting organization” is used to represent both Crown corporations and other reporting entities.

The representations cover the following subjects:

##### **Representation Number 1 (Reported Transactions)**

- **All financial transactions of the reporting organization must have been accurately reported to the Deputy Receiver General for recording in the accounts of Canada on forms CC-1 through CC-8 and CC-10 (and other plates in accordance with the RGM [Chapter 15](#), “Public Accounts Instructions”, if applicable), as stated in RGM [Chapter 18](#), “Reporting Instructions for Crown Corporations and Other Reporting Entities”.**

It is the responsibility of Crown corporations and other reporting entities to report details of transactions on CC forms (and other plates if applicable), in a timely and accurate manner for reporting in the [Public Accounts of Canada](#). This includes the assets, liabilities, revenues and expenses of the reporting organization, as well as supplementary schedules or notes which are combined with the Government’s balances (or supplementary information) in the accounts of Canada and the *Public Accounts of Canada*.

*Ex. All financial transactions of the reporting organization have been accurately reported to the Deputy Receiver General for recording in the accounts of Canada on forms CC-1 through CC-8 and CC-10 (and other plates in accordance with the Receiver General Manual (RGM) [Chapter 15](#), "Public Accounts Instructions"), as per RGM [Chapter 18](#), "Reporting Instructions for Crown Corporations and Other Reporting Entities", except as follows:*

*Revenues for the year of \$64,900,000 could not be accurately split between transactions with the Government and outside sources. It is believed that most of this revenue is generated from the marketplace, however, some Federal department transactions have occurred, and are not identifiable or estimable due to the reporting organization's accounting system.*

## Representation Number 2 (Books of Accounts and Records)

- **The reporting organization must have maintained complete, proper, and accurate books of accounts and records, from which complete and accurate financial statements and supplementary reports, and CC forms (and other plates, if applicable), required for the [Public Accounts of Canada](#), have been prepared. There are no material transactions during the year that have not been properly reflected in the accounts. All amounts recorded in subsidiary accounts in the reporting organization's accounting system must have been reconciled to the corporation's general ledger. In the case of Crown corporations with [Section 33 of the FAA](#) authority, they further declare that all transactions recorded in the accounts of Canada are reflected correctly and have been reconciled to those of the reporting organization.**

[Section 131 of the FAA](#) requires Crown corporations to keep books, records and management control systems to enable the preparation of accurate financial statements. Any exceptions must be disclosed and detailed including amounts, in this paragraph:

*Ex. The reporting organization has maintained complete, proper, and accurate books of accounts and records, from which complete and accurate financial statements and supplementary reports and CC forms (and other plates, if applicable), required for the Public Accounts of Canada, have been prepared. There are no material transactions during the year that have not been properly reflected in the accounts. All amounts recorded in subsidiary accounts in the reporting organization's accounting system have been reconciled to the corporation's General Ledger, except as follows:*

*The accounts receivable sub-ledger does not reconcile with the General Ledger accounts receivable of the organization by \$45,000. The difference is being investigated by officers of the organization.*

---

### Representation Number 3 (Disclosure Controls and Procedures)

- **The reporting organization must maintain disclosure controls and procedures to provide reasonable assurance that material information relating to the reporting organization, including its consolidated subsidiaries, is made known to them by others within those entities.**

*Ex. The reporting organization has maintained disclosure controls and procedures to provide reasonable assurance that material information relating to the reporting organization, including its consolidated subsidiaries, is made known to us by others within those entities.*

### Representation Number 4 (Internal Control Over Financial Reporting)

- **The reporting organization must have maintained internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial information for inclusion in the [Public Accounts of Canada](#) and in the audited consolidated financial statements of the Government of Canada.**

*Ex. The reporting organization has maintained internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial information for inclusion in the Public Accounts of Canada and in the audited consolidated financial statements of the Government of Canada.*

### Representation Number 5 (Recording and Reporting of Financial Information)

- **The reporting organization must have complied with all relevant Receiver General and Treasury Board requirements, the [Financial Administration Act](#) (if applicable), and all legislation affecting the recording and reporting of financial information to be included in the accounts of Canada and reflected in the *Public Accounts of Canada* or other interim Government financial reports.**

All Crown corporations must comply with any and all requirements of the Receiver General, the Treasury Board and any relevant legislation, regarding the recording and reporting of their financial transactions. [Subsection 131\(4\) of the FAA](#) explains how Treasury Board regulations may be developed to augment the corporation's use of Canadian generally accepted accounting principles (GAAP). [Subsection 89\(1\) of the FAA](#) requires the Crown corporation to implement any and all directives from Order in Council.



---

**The reporting organization must have complied with its financial reporting framework in the preparation of its financial statements except for accounts maintained in the CRF for which all relevant significant accounting policies of the Government of Canada have been applied.**

The reporting organization must comply with Canadian GAAP as detailed in the Handbook of the Canadian Institute of Chartered Accountants (except for those accounts maintained in the CRF for which Government significant accounting policies must apply). Details of non-compliance with Canadian GAAP must be disclosed and detailed in this paragraph. An example of such an exception might be the write-off of major capital assets to expense at the time of purchase.

Crown corporations exercising authority under [Section 33 of the FAA](#) must comply with the accounting policies related to the financial transactions recorded in the accounts of Canada and the financial information reported to the Deputy Receiver General. Exceptions must be disclosed and detailed in this paragraph. Examples of such exceptions might be: unrecorded payables at year end, reporting of accrued liabilities as contingent liabilities, recording of contingent liabilities as payables, foreign currency transactions recorded at the time of payment in foreign currency and translated only at year end.

- **The consolidated Crown corporations and other entities which have adopted International Financial Reporting Standards (IFRS) must present the information on the CC forms (and other plates, if applicable) in accordance with Canadian Public Sector Accounting Standards (PSAS) with the exception of those accounts and balances specifically excluded from this requirement as noted in RGM [Chapter 18](#) “Reporting Instructions for Crown Corporations and Other Reporting Entities”.**

This latter representation applies only to those other government organizations, as defined within Public Sector Accounting Standards, which have chosen to adopt International Financial Reporting Standards for their external reporting. In accordance with RGM Chapter 18 “Reporting Instructions for Crown Corporations and Other Reporting Entities”, these reporting organizations are required to prepare and submit their CC forms in accordance with Public Sector Accounting Standards. There are current exceptions to this requirement and these exceptions are detailed in RGM Chapter 18 “Reporting Instructions for Crown Corporations and Other Reporting Entities”. Currently, this representation only applies to Atomic Energy of Canada Limited, Canadian Air Transport Security Authority, Canadian Broadcasting Corporation, Canadian Commercial Corporation, Canadian Dairy Commission, Defence Construction (1951) Limited, International Development Research Centre and Via Rail Canada Inc.



- Ex. In the recording and reporting of financial information to be included in the accounts of Canada, the Public Accounts of Canada, and other monthly and quarterly consolidated financial statements, the reporting organization has complied with:*
- (a) RGM [Chapter 18](#), significant accounting policies of the Government of Canada, if appropriate, as well as any other Treasury Board requirements (i.e. directives, circulars and regulations);*
  - (b) the [Financial Administration Act](#);*
  - (c) all other legislation affecting the reporting organization (and accounts in the CRF). In addition,*
  - (d) the reporting organization's financial statements have been prepared in accordance with [include your reporting organization's financial reporting framework] (except for those accounts maintained in the CRF, for which all relevant accounting policies of the Government of Canada have been applied); and,*
  - (e) the consolidated Crown corporations and other entities which have adopted International Financial Reporting Standards, have presented the information on the CC forms (and other plates, if applicable) in accordance with Canadian Public Sector Accounting Standards with the exception of those accounts and balances specifically excluded from this requirement as noted in RGM Chapter 18.*

### **Representation Number 6 (Contractual Arrangements)**

- The reporting organization must have disclosed all contractual arrangements entered into with third parties. Crown corporations and other reporting entities must have complied with all aspects of contractual agreements that could have a material effect on the financial information in the event of non-compliance.**

---

*Ex. All contractual arrangements entered into by the reporting organization with third parties have been properly reflected in the accounting records or/and, where material (or potentially material) to the financial information for inclusion in the [Public Accounts of Canada](#) and in the audited consolidated financial statements of the Government of Canada, have been disclosed to you. We have complied with all aspects of contractual agreements that could have a material effect on the financial information in the event of non-compliance.*

### **Representation Number 7 (Environmental Liabilities)**

- **All environmental liabilities and related contingent liabilities have been measured and reported to the Deputy Receiver General.**

All Crown corporations and other reporting entities are required to report on contaminated sites in accordance with RGM [Chapter 18](#), "Reporting Instructions for Crown Corporations and Other Reporting Entities". Environmental liabilities should be reported on form CC-2, while related contingent liabilities should be reported on form CC-6a for enterprise Crown corporations and other government business enterprises and on form CC-6b for consolidated Crown corporations and other entities.

*Ex. All environmental liabilities and related contingent liabilities have been reported to the Deputy Receiver General on the appropriate CC forms.*

### **Representation Number 8 (Contingent Liabilities)**

- **All contingent liabilities must have been reported to the Deputy Receiver General for disclosure in the [Public Accounts of Canada](#).**

Crown corporations and other reporting entities are required to report contingent liabilities in accordance with RGM Chapter 18, "Reporting Instructions for Crown Corporations and Other Reporting Entities". Crown corporations administering accounts for the Government should use Plates I-11 and I-12 and consult RGM [Chapter 15](#), "Public Accounts Instructions", subsection 15.3.4, for instructions on how to report contingent liabilities for administered accounts. Contingent liabilities can include guarantees, lawsuits, tax claims, contaminated sites (see Representation Number 7 above) and pending and threatened litigation.

*Ex. All contingent liabilities have been reported to the Deputy Receiver General on the appropriate CC forms (and plates I-11 and I-12, if applicable) for disclosure in the Public Accounts of Canada. The reporting organization has no knowledge of any other lawsuits, tax claims or pending litigation, including possible claims, of any consequence or of any other contingent liabilities of whatever nature, except as follows:*

- (i) *The reporting organization has guaranteed loans totaling \$9 million. It did not include this amount on its CC forms as the loans were jointly guaranteed by another corporation. Had this amount been included, our contingent liabilities would have increased accordingly.*

### **Representation Number 9 (Letters of Comfort)**

- **Letters of Comfort must not have been issued nor been in force at any time during the year or subsequent to the period up to June 10, 2013.**

A Letter of Comfort is a guarantee by a Crown corporation or other reporting entity to a financial institution on behalf of another corporation, enterprise, person, association or other entity for a loan that may be issued in the future. The appropriate Government minister may issue a similar letter on behalf of a Crown corporation or other reporting entities.

*Ex. Letters of Comfort to financial institutions from the reporting organization have not been issued nor, to the best of our knowledge and belief, has the Minister for the reporting organization issued such letters. Nor have any such letters been in force at any time during the year or during the period to June 10, 2013 with the exception of a \$200,000 Letter of Comfort issued on behalf of the Provincial Fishermen's Association to XY Bank on April 14, 2013.*

### **Representation Number 10 (Obligations related to Capital Lease, Contractual Obligations and Details of Borrowing Transactions)**

- **All obligations related to capital lease and contractual obligations must have been reported to the Deputy Receiver General for disclosure in the [Public Accounts of Canada](#) in accordance with RGM [Chapter 18](#), "Reporting Instructions for Crown Corporations and Other Reporting Entities".**

Information regarding capital lease obligations and contractual obligations is required for disclosure in the *Public Accounts of Canada*. All Crown corporations and other reporting entities must comply with the requirements of RGM Chapter 18 "Reporting Instructions for Crown Corporations and Other Reporting Entities" and report such amounts for disclosure in various notes to the audited consolidated financial statements of the Government. Cases of non-compliance must be reported and detailed.

All Crown corporations and other reporting entities are also required to submit details of borrowing transactions on forms CC-6 during the year. Cases of non-compliance must be reported and detailed below.

*Ex. All obligations related to capital lease and contractual obligations as well as details of borrowing transactions have been reported to the Deputy Receiver General on the appropriate CC forms for disclosure in the Public Accounts of Canada in accordance with RGM Chapter 18 except as follows:*

*(List any cases of non-compliance giving a description of the item(s) and of the dollar amounts outstanding.)*

### **Representation Number 11 (Commitments for future purchases)**

**Commitments for future purchases must be for quantities not in excess of anticipated requirements and at prices that will not result in loss.**

*Ex. Commitments for future purchases are for quantities not in excess of anticipated requirements and at prices that will not result in loss.*

### **Representation Number 12 (Insurance Programs administered by agent Crown corporations)**

- **All financial transactions pertaining to insurance funds/provisions administered by agent Crown corporations in accordance with RGM [Chapter 18](#), “Reporting Instructions for Crown Corporations and Other Reporting Entities” must have been reported on form CC-10 to the Deputy Receiver General.**

Agent Crown corporations operating insurance programs are required to report, on form CC-10, to the Deputy Receiver General, underwriting statistics (i.e., the amount of insurance in force, the amount of net claims paid in the year, average net claims for the past 60 months (5 years) and the revenues, expenses and net income or loss for the fund/provision). In addition, all facts that provide an assessment of the accuracy of the fund/provision, plus other factors that have a material effect on the fund/provision should be described in notes to the above data.

*Ex. The reporting organization has submitted to the Deputy Receiver General details of the insurance funds/provisions, including all underwriting statistics, results of operations, and supplementary information as required, on form CC-10. All information is complete except as follows:*

*The bankruptcy of ABC Trustco could result in claims of up to \$125.5 million. At March 31, 2013, an amount of \$100 million had been provided. The balance has not been reflected on the CC forms.*

---

### Representation Number 13 (Financial Records/Minute Books)

- **Crown corporations and other reporting entities must have made all financial records and related data, summations of meetings, and minute books available to the organization's external auditor.**

Canadian Auditing Standards (CAS) include the practice of reviewing the formal minutes, informal notes or summaries of the meetings of management level committees. The requirement to produce minutes of the management-type committee meetings could provide the corporation's auditor with information that could have an effect on their opinion regarding the financial statements. In terms of Crown corporations, [subsection 144\(1\) of the FAA](#) details the access to corporation records by the external auditor.

*Ex. The reporting organization has made available to the corporation's external auditor:*

*All financial records and related data, summations of meetings, and minute books which contain complete and authentic minutes of all meetings of the management committee and internal audit committee applicable to the period April 1, 2012 to June 10, 2013. The most recent meetings of these committees for the said period were held on June 2, 2013 and June 8, 2013 respectively.*

### Representation Number 14 (Accounts Receivable)

- **Crown corporations and other reporting entities must maintain accounts receivable records and establish rules and procedures to record an appropriate allowance to reflect amounts where collection is in doubt.**

Accounts receivable represent valid claims against debtors and exceptions must be disclosed and detailed in this paragraph. In addition, an appropriate allowance is recorded to reflect amounts where collection is in doubt and deletions of accounts receivable have been properly authorized.

*Ex. Accounts receivable represent valid claims against debtors for transactions arising on or before March 31, 2013 and all uncollectible accounts have been properly disclosed and deletions properly authorized with the exception of the deletion of \$23,432 which was not authorized by a responsible officer. The reporting organization has taken appropriate action to collect all monies owing the organization (and Her Majesty in Right of Canada in which latter case, monies collected have been promptly deposited to the credit of the Receiver General for Canada).*

---

### Representation Number 15 (Loans Receivable)

- **Loans receivable represent valid claims against debtors and these loans are usually subject to the ordinary terms of credit of the reporting organization.**

*Ex. Loans receivable represent bona fide claims against debtors as at March 31, 2013. These loans are subject to the ordinary terms of credit of the reporting organization.*

### Representation Number 16 (Inventories, Tangible Capital Assets and Prepayments)

- **Crown corporations and other reporting entities must have legal title to these assets, maintain essential records and establish rules and procedures to safeguard and control these assets.**

*Ex. The reporting organization (and Her Majesty in Right of Canada) has satisfactory title to all recorded assets, essential records have been properly maintained and the rules and procedures applied are sufficient to safeguard and control them. In particular, the subsidiary records for:*

- (a) inventories are valued at cost. If they no longer have service potential, they are valued at the lower of cost or net realizable value. Items for which the costs are not readily available have been valued using management's best estimate at original cost based on available information;*
- (b) records respecting tangible capital assets for which the reporting organization is responsible are accurate and complete, and all acquisitions and disposals of tangible capital assets during the year have been properly authorized;*
- (c) prepaid expenses represent amounts paid for services to be rendered in future periods;  
and,*
- (d) tangible capital assets with a limited life are being amortized or otherwise written off as a charge to expense over our estimation of their useful lives in a systematic and rational manner.*

---

### Representation Number 17 (Inventory Quantities)

- **Inventory quantities at March 31, 2013 must be determined from the reporting organization's perpetual inventory records, which have been adjusted on the basis of physical inventories taken by competent employees at various times during the year. The inventory balances should not include goods on consignment from others.**

*Ex. Inventory quantities at March 31, 2013 were determined from the reporting organization's perpetual inventory records, which have been adjusted on the basis of physical inventories taken by competent employees at various times during the year. The inventory balances do not include goods on consignment from others.*

### Representation Number 18 (Liens and Encumbrances)

- **There were no liens or encumbrances on the reporting entity's assets or assets pledged as collateral.**

*Ex. There were no liens or encumbrances on the reporting entity's assets or assets pledged as collateral.*

### Representation Number 19 (Liabilities and Provisions)

- **The reporting organization must have recorded or disclosed, as appropriate, all liabilities and provisions on the appropriate CC forms.**

*Ex. We have recorded or disclosed, as appropriate, all liabilities and provisions on the appropriate CC forms.*

### Representation Number 20 (Pension and Other Future Benefits)

- **Pension and other future benefit costs and obligations and the related assets have been measured, accounted for and disclosed on the appropriate CC forms in accordance with RGM [Chapter 18](#) and represent management's best estimate of the respective liability and expenses of the pension and other future benefits.**

*Ex. Pension and other future benefit costs and obligations and the related assets have been measured, accounted for and disclosed on the appropriate CC forms in accordance with RGM Chapter 18 and represent management's best estimate of the respective liability and expenses of the pension and other future benefits.*

*More specifically:*

- (i) *all pension and other future benefits of the reporting organization and the provisions of each plan have been fully disclosed to you;*
- (ii) *the source data used in the preparation of the actuarial present value of accrued pension benefits attributed to services rendered up to March 31, 2013 is complete and accurate;*
- (iii) ***choose representation that applies to a specific type of organization:***

***For Enterprise Crown corporations:*** *The actuarial obligations for pension and other future benefits at March 31, 2013 have been determined in accordance with IFRS.*

***For consolidated Crown corporations and other entities that adopted PSAS:*** *The actuarial obligations for pension and other future benefits at March 31, 2013 have been determined in accordance with PSAS.*

***For consolidated Crown corporations and other entities that adopted IFRS:*** *The actuarial obligations for funded pension plans reported in the CC Forms at March 31, 2013 have been determined in accordance with PSAS.*

*The actuarial obligations for unfunded pension plans and other employee future benefits reported in the CC Forms at March 31, 2013 have been determined in accordance with benefits (include the appropriate financial reporting framework).*

- (iv) *all assumptions used in the determination of the actuarial present value of accrued pension benefits attributed to services rendered up to March 31, 2013 are our best estimate of the most likely set of conditions affecting future events. These assumptions are appropriate, internally consistent, and are consistent with the asset valuation method;*
- (v) *the extrapolation of the actuarial present value of accrued pension benefits to March 31, 2013 from the date of the most recent actuarial valuations at March 31, 20XX has been properly prepared using source data which is complete and accurate. All assumptions used in the preparation of such valuations, and events occurring in the extrapolation period that materially affect the actuarial present value of accrued pension benefits attributed to services rendered up to March 31, 2013 have been properly reflected in the determination of those accrued benefits;*
- (vi) *no events have occurred subsequent to March 31, 2013 that materially affect the amount of the actuarial present value of accrued pension benefits attributed to services rendered up to March 31, 2013;*



- 
- (vii) *all plan assets have been disclosed on the appropriate CC forms;*
- (viii) *the reporting organization has good title to such assets;*
- (ix) *the pension plan assets are valued in accordance with [include the appropriate financial reporting framework]; and,*
- (x) ***choose representation that applies to a specific type of organization:***

***For Enterprise Crown corporations:*** *Adjustments arising from changes in assumptions and experience gains and losses and adjustments arising from plan amendments have been recognized in accordance with IFRS.*

***For consolidated Crown corporations and other entities that adopted PSAS:*** *Adjustments arising from changes in assumptions and experience gains and losses and adjustments arising from plan amendments have been recognized in accordance with PSAS.*

***For consolidated Crown corporations and other entities that adopted IFRS:*** *Adjustments arising from changes in assumptions and experience gains and losses and adjustments arising from plan amendments have been recognized in accordance with (PSAS or the requirements of RGM [Chapter 18](#)).*

---

### Representation Number 21 (Plans and Intentions)

- **There are no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reported on the CC forms (e.g. to dispose of the business or to cease operations).**

*Ex. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reported on the CC forms (e.g. to dispose of the business or to cease operations).*

### Representation Number 22 (Income Earned on Investment)

- All income earned for the year on investments must be recorded in the accounts.

*Ex. All income earned for the year on investments has been recorded in the accounts.*

### Representation Number 23 (Expenses)

- All expenses for the year must be recorded in the accounts.

*Ex. All expenses for the year have been recorded in the accounts.*

### Representation Number 24 (Non-Monetary Transactions)

- All non-monetary transactions have been reported and disclosed in the financial information in accordance with **[include the appropriate financial reporting framework]**.

*Ex. All non-monetary transactions have been recorded and disclosed in the financial information in accordance with **[include the appropriate financial reporting framework]**.*

### Representation Number 25 (Subsequent Events)

- **Events, new or amended legislation, regulations or directives have not come into effect since the fiscal year end other than those described in this representation, which should be reflected or disclosed in the audited consolidated financial statements of the Government of Canada or supplementary reports of the Government of Canada.**

Crown corporations and other reporting entities must disclose known events, legislation, regulations or directives, which have come into effect between the fiscal year end and the effective date (June 10) of the representations. Subsequent events are defined as events providing further evidence of financial conditions which existed at March 31 or events which are indicative of conditions which arose subsequent to March 31. Exceptions must be disclosed and detailed in this paragraph. Examples of exceptions might be: Royal Assent given to legislation since March 31, final payment in respect of breach of contract which was reported as threatened litigation at March 31.

Events of substance (\$50 million or more) identified after June 10, 2013, which have a bearing on the fiscal year ending March 31, 2013, should be referred to the TBS for guidance on how to process and to the Deputy Receiver General for submitting an updated letter of representation.

*Ex. Since March 31, 2013 to the date of this letter, there have not been any events, new or amended legislation, regulations or directives, other than those reflected in the financial statements or notes thereto, which should be reflected or disclosed in the audited consolidated financial statements of the Government of Canada or supplementary reports of the Government of Canada, except as follows:*

*On June 8, 2013, legislation was introduced in the House of Commons to sell off a portion of the corporation's operations. Bill C-XX details the intentions of the Government on this matter.*

### **Representation Number 26 (Consolidated Financial Statements of the Government of Canada)**

- **All known information that could have an effect on the Auditor General's opinion on the consolidated financial statements of the Government of Canada must be disclosed in the Letter of Representation.**

Any information pertaining to a subject not specifically covered in a paragraph of the Letter of Representation, which could affect the consolidated financial statements of the Government of Canada, must be disclosed. Known information that has an effect on the financial information submitted by a Crown corporation or other reporting entity is considered as having an effect on the consolidated financial statements of the Government of Canada.

---

If there are any exceptions, the following details are required:

- (i) clear and concise description of the item or items; and,
- (ii) particulars, including dollar amounts, which may materially affect the consolidated financial statements of the Government of Canada.

*Ex. The reporting organization is not aware of any information that was not disclosed to the external auditor and to the Deputy Receiver General, which could affect the consolidated financial statements of the Government of Canada or the Auditor General's opinion on them.*

### **Representation Number 27 (Internal Controls)**

- **The reporting organization acknowledges its responsibility for the implementation and operation of internal controls that are designed to prevent and detect fraud and error. All significant facts relating to any frauds or suspected frauds known to management that may have affected the entity have been disclosed to the auditor.**

*Ex. The reporting organization understands that the prevention and detection of error and fraud are primarily its responsibility and may not necessarily be detected by you, even if they are material in amount. The reporting organization also acknowledges its responsibility to design, implement and maintain internal controls that are designed to prevent and detect fraud and error. Furthermore, we have disclosed to you the results of our assessment of the risk that the financial records may be materially misstated as a result of fraud, and have determined such risk to be low. The reporting organization has disclosed to you all significant facts relating to any known frauds or suspected frauds involving management, employees who have significant roles in internal control or others, where the fraud could have a significant effect on the financial information of the reporting organization. The reporting organization has also disclosed to you our knowledge of any allegations of fraud or suspected fraud affecting the financial records communicated by employees, former employees, analysts, regulators or others.*

*(List any cases of non-compliance giving a description of the item(s) and the dollar amounts outstanding.)*

### **Representation Number 28 (Compliance with Laws and Regulations)**

- **The reporting organization must disclose all known instances of non-compliance or suspected non-compliance with laws and regulations when preparing financial information.**

---

*Ex. The reporting organization has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effect should be considered when preparing financial information.*

### **Representation Number 29 (Legality of Transactions)**

- **The reporting organization must declare that it is aware of any illegal acts, violations to laws, regulations and contractual agreements, of any conflicts of interest involving (name of organization) or any other actions where it has, directly or indirectly entered into a transaction with a person that has a direct or indirect interest.**

*Ex. The reporting organization is not aware of:*

- (a) *any illegal or possibly illegal acts, including those committed by directors, officers or employees acting on the reporting organization's behalf. (We have disclosed to you all facts related to illegal or possibly illegal acts identified.); and/or*
- (b) *any conflicts of interest involving (name of organization) where it has, directly or indirectly, entered into any purchase, sale or any other transaction with a member of Parliament, a member of the Board, a member of senior management, a manager, or with an organization in which one of these persons had a direct or indirect interest; and/or*
- (c) *any violations of laws, regulations and contractual agreements, including actual or suspected non-compliance with laws and regulations, or regulations the effect of which should be considered for disclosure in the [Public Accounts of Canada](#) or as a basis for recording a liability or loss contingency; and/or*
- (d) *actions taken in Canada that are not in accordance with the laws of Canada (federal or provincial) or actions taken outside Canada that violate the laws of the place where the transactions occurred, or that if taken in Canada would be in violation of the [Criminal Code](#) of Canada; and/or*
- (e) *bribes, or improper benefits rendered or accepted; and/or*
- (f) *influences applied improperly; and/or*
- (g) *business inconsistent with the Corporation's charter; and/or*
- (h) *loss of money or property as a result of defalcation, fraudulent acts or omission of corporate officer; and/or*

- (i) *any irregularities involving management or employees who have significant roles in the system of internal accounting controls or any irregularities involving other employees that could have a material effect on the financial statements; and/or*
- (j) *any communications from regulatory agencies concerning non-compliance with laws or regulations which could have a material effect on the information for inclusion in the Public Accounts of Canada.*

### **Representation Number 30 (Transactions with Related Parties)**

- **All known related party transactions outside the reporting organization's normal course of business must be properly recorded for inclusion in the *Public Accounts of Canada*.**

*Ex. There have been no related party transactions outside the reporting organization's normal course of business.*

### **Representation Number 31 (Guarantees)**

- **All guarantees potentially having a material impact on the financial statements must be recorded and disclosed on the appropriate CC forms.**

*Ex. No guarantees have been made by the reporting organization, nor have any guarantees been in force at any time during the year or subsequently.*

The following representations, numbered 32, 33 and 34, apply only to those Crown corporations exercising authority under [Section 33 of the FAA](#) (See Appendix B of this chapter).

Representation Number 35 is applicable only to Export Development Canada. Other Crown corporations and all other reporting entities need not respond.

### **Representation Number 32 (*Appropriation Acts* and Other Governing Statutes)**

- **All financial transactions must be in accordance with legislative requirements, including those pertaining to accounts payable at year end, and must have been recorded in accordance with, and as appropriate, within the authorized limits of [Appropriation Acts](#) and other governing statutes.**

Reporting Crown corporations exercising [Section 33 of the FAA](#) authority must comply with the FAA, the [Interpretation Act](#) and the [Criminal Code](#) of Canada. They must also comply with the [Treasury Board Policies](#), Treasury Board Secretariat publications and the Receiver General Manual and directives. Reporting organizations must also comply with the RGM [Chapter 15](#), "Public Accounts Instructions", subsection 15.4.2, whichever is applicable, in order to disclose over expended amounts in the manuscript "Form A Summary of Source and Disposition of Authorities". Over expended balances as at fiscal year end, relating to budgetary and non-budgetary appropriations, must be disclosed and detailed in this paragraph by all reporting organizations.

*Ex. The reporting organization has adhered to all legislative requirements respecting the entering into of financial transactions, including those pertaining to accounts payable at year end, and all such transactions have been accurately recorded in accordance with, and as appropriate, within the authorized limits of [Appropriation Acts](#) and other governing statutes, except as follows:*

*As reported in the 2012-2013 statement "Form A Summary of Source and Disposition of Authorities", there has been an over-use of Vote 10, in an account maintained in the CRF by the reporting Crown corporation amounting to \$5,000,000.*

### **Representation Number 33 (Specified Purpose Accounts, Other Liabilities and Unmatured Debt)**

- **All specified purpose accounts, other liabilities and unmatured debt must have originated under the authority of appropriate legislation.**

Those Crown corporations exercising authority under Section 33 of the FAA must make representations for the transactions which are recorded as the Government's liabilities in the accounts of Canada. They must also make representations for the financial information submitted to the Deputy Receiver General, not just for the amounts disclosed in their respective financial statements or records. Exceptions must be disclosed and detailed in this paragraph. An exception would be the reporting as payables, of explicit guarantees which are contingent liabilities.

- **All specified purpose accounts, other liabilities and unmatured debt must represent financial obligations to organizations and individuals outside the Government of Canada as an accounting entity.**

---

Government reporting entities must report the relevant financial information for disclosure in the “Statement of Financial Position” according to the above requirement and to the requirements of RGM [Chapter 15](#), subsection 15.3.2. Exceptions must be disclosed and detailed in this paragraph.

*Ex. All specified purpose accounts, other liabilities and unmatured debt:*

- (a) originated under the authority of appropriate legislation; and,*
- (b) represent financial obligations to organizations and individuals outside the Government of Canada as an accounting entity;*

*except as follows:*

*(List any cases of non-compliance giving a description of the item(s) and the dollar amounts involved where appropriate.)*

#### **Representation Number 34 (Accounts Payable)**

- **All unpaid accounts relating to annually lapsing and non-lapsing budgetary appropriations and annually lapsing non-budgetary appropriations on which Parliament has imposed an annual ceiling have been recorded as payables.**

Crown corporations exercising authority under [Section 33 of the FAA](#) must disclose payables as required by [subsection 37.1\(1\) of the FAA](#) and by the Treasury Board’s “[Policy on Payables at Year-End \(PAYE\)](#)”. They must charge against their appropriations those liabilities which meet the criteria established in the policy. They must also comply with the procedures described in RGM [Chapter 14](#) “Year End Timetable and Procedures”, Appendix 1 “Old Year Departmental Financial and Materiel Management System (DFMS) Accrual Entries, Adjusting Entries and Closing of Old Year Accounts” and the disclosure instructions of RGM [Chapter 15](#), subsection 15.4.1.

Furthermore, the Canada Mortgage and Housing Corporation administers programs for the Government, which, at least in part, allow use of the CRF. Therefore, it is required to record its liabilities at year end in accordance with the criteria established above. Exceptions must be disclosed and detailed in this paragraph. Examples of exceptions would be: consultant fees owing but not recorded as accounts payable; amount owing to a Crown corporation pursuant to a contractual agreement not recorded at fiscal year end.



*Ex. All unpaid accounts relating to annually lapsing and non-lapsing budgetary appropriations and annually lapsing non-budgetary appropriations on which Parliament has imposed an annual ceiling have been recorded as payables, except as follows:*

*An accounts payable of \$280,000 under the XYZ Program, Vote 18, representing goods received prior to the year end, has not been recorded as a liability. This does not comply with the requirements of subsection 37.1(1) of the FAA, with those of the Treasury Board's "Policy on Payables at Year-End (PAYE)", nor with those of RGM Chapter 14, Appendix 1 "Old Year DFMS Accrual Entries, Adjusting Entries and Closing of Old Year Accounts". Had this amount been included, the accounts payable and the expenditures (acquisition of machinery and equipment) would each have been increased by that amount.*

### **Representation Number 35 (Determination of Allowance(s) for Expected Losses under Loan Guarantee Programs)**

**To be completed by Export Development Canada only**

- **Determine and report amounts which reflect departmental management's best estimates of expected losses relative to the loan guarantees administered in accordance with RGM [Chapter 15](#), subsection 15.3.4.** Report any instances of non-compliance and indicate, in detail, why the provision could not be determined.

*Ex. Provisions have been determined for all loan guarantee programs that were in force at any time during the year or during the period to June 10, 2013. Proper documentation relative to the calculation of these amount(s) is on file for review by the Treasury Board Secretariat and/or the Office of the Auditor General. These amounts were established in accordance with the criteria outlined in RGM Chapter 15. Particulars have been forwarded to the Deputy Receiver General for disclosure in the [Public Accounts of Canada](#). The reporting organization has not issued any offering documents during the year nor does it intend to issue offering documents in the near term, except for:*

*The corporation has guaranteed loans under the XYZ Program with various financial institutions in the country but due to a misunderstanding, losses under the Program were not reported in time for the department to establish a meaningful provision for the Public Accounts of Canada. This situation is under review and proper procedures will be implemented shortly to obtain this information.*

### **Representation Number 36 (Derivative Financial Instruments)**

- **The reporting organization must report all activities involving derivative financial instruments.**

---

*Ex. The reporting organization has engaged in activities involving derivative financial instruments during the year. Management's objectives with respect to derivative financial instruments are: [list management objectives here]. The financial records reflect all transactions involving derivative financial instruments, all embedded derivative financial instruments have been identified and the assumptions and methodologies used in the valuation models applied to derivative financial instruments are reasonable. The terms of transactions involving derivative financial instruments includes: [list terms here]. All transactions involving derivative financial instruments have been conducted at arm's length and at fair values. The reporting organization has not entered into any side agreements associated with any derivative financial instruments. The reporting organization has not entered into any written options. The reporting organization has complied with the documentation requirements required under [include the appropriate financial reporting framework] for hedge accounting (if applicable).*

### **Representation Number 37 (Significant Assumptions)**

- **Significant assumptions used by the reporting organization in making accounting estimates, including fair value accounting estimates, must be reasonable.**

*Ex. Significant assumptions used by the reporting organization in making accounting estimates, including fair value accounting estimates, are reasonable.*

### **Representation Number 38 (Fair Value Measurement)**

- **For recorded or disclosed amounts in the financial information that incorporate fair value measurements, measurement methods should be appropriate and consistently applied; significant assumptions used in determining fair value measurements must represent your best estimates, be reasonable and be consistently applied; no subsequent event requiring adjustment to the accounting estimates and disclosures should be included in the financial information; and significant assumptions used in determining fair value measurements must be consistent with the reporting organization's planned courses of action. There should be no plans or intentions that have not been disclosed to us, which may materially affect the recorded or disclosed fair values of assets or liabilities; and disclosures should be complete and appropriate under the stated accounting policies of the reporting organization. Significant estimates and measurement uncertainties known to management must be appropriately disclosed.**

*Ex. For recorded or disclosed amounts in the financial information that incorporate fair value measurements, we confirm that:*

- (a) *the measurement methods are appropriate and consistently applied;*

- (b) *the significant assumptions used in determining fair value measurements represent our best estimates, are reasonable and have been consistently applied;*
- (c) *no subsequent event requires adjustment to the accounting estimates and disclosures included in the financial information;*
- (d) *the significant assumptions used in determining fair value measurement are consistent with the reporting organization's planned courses of action. We have no plans or intentions that have not been disclosed to you, which may materially affect the recorded or disclosed fair values of assets or liabilities; and,*
- (e) *disclosures are complete and appropriate under the stated accounting policies of the reporting organization. Significant estimates and measurement uncertainties known to management have been appropriately disclosed.*

#### **Representation Number 39 (Disclosing Fair Values)**

- **The reporting organization must disclose the measurement methods related to determining fair values.**

*Ex. Complete and appropriate disclosures required related to fair values have been reported to the Deputy Receiver General on the appropriate CC forms.*

#### **17.4.5 Certification**

The Letter of Representation must be signed by both appropriate officials of the Crown corporation or other reporting entity:

the Chief Executive Officer, and,

the Chief Financial Officer.

**The responsibility for signing the Letter of Representation cannot be delegated for administrative convenience by either of the appropriate officials. If due to illness or some other unavoidable reason, an appropriate officer is unable to certify, the Letter of Representation should then be signed by an authorized replacement, who has been formally appointed in an acting capacity for the absent official. Please enter particulars of these situations in the area below the signature panel.**

#### **17.4.6 Effective date**

For administrative purposes, the date to be used for the Letter of Representation is

**June 10, 2013.**

---

#### 17.4.7 Submission of Letter of Representation

The Letter of Representation (dated June 10, 2013), **jointly addressed** to the Auditor General and to the Deputy Receiver General, **is due on or before June 17, 2013** for each reporting organization appearing in Appendix A. **The signature date is June 10, 2013 and letters will only be accepted between June 11 and June 17, 2013. In the event of an early submission, the reporting organization will be asked to resubmit the letter in the approved time frame. Letters sent after the due date will be considered a late submission.**

The original of the Letter of Representation must be sent by courier directly to the Auditor General with a **signed duplicate** (not a photocopy) sent by courier to the Deputy Receiver General, to the addresses given below.

#### **Please send by courier service**

The Auditor General of Canada  
c/o Principal  
Public Accounts Audit Team  
Stop 8062  
240 Sparks Street  
Ottawa, Ontario  
K1A 0G6

The Deputy Receiver General for Canada  
c/o Julien Maynard  
Financial Analyst, Accounts of Canada and Financial Reporting  
Public Accounts Section  
Central and Public Accounts Reporting Directorate  
Accounting, Banking and Compensation Branch  
Public Works and Government Services Canada  
Place du Portage  
Phase III, Floor 13A1  
11 Laurier Street  
Gatineau, Quebec  
K1A 0S5

## 17.5 Inquiries

### Contacts within **Public Works and Government Services Canada:**

| Vo Jing Diep  
Chief, Accounts of Canada and Financial Reporting  
Public Accounts Section  
Central and Public Accounts Reporting Directorate  
Telephone: 819-956-2635  
Facsimile: 819-956-8400  
| Email: [vojing.diep@tpsgc-pwgsc.gc.ca](mailto:vojing.diep@tpsgc-pwgsc.gc.ca)

or

Julien Maynard  
Financial Analyst, Accounts of Canada and Financial Reporting  
Public Accounts Section  
Central and Public Accounts Reporting Directorate  
Telephone: 819-956-1848  
Facsimile: 819-956-8400  
Email: [julien.maynard@pwgsc-tpsgc.gc.ca](mailto:julien.maynard@pwgsc-tpsgc.gc.ca)

---

**Appendix A**  
**List of Crown corporations and Other Reporting Entities**  
**that are expected to provide a Letter of Representation on June 17, 2013**  
**to the Auditor General and the Deputy Receiver General**  
**for Fiscal Year 2012-2013**

**List of Consolidated Crown corporations**

Atomic Energy of Canada Limited  
Canada Council for the Arts  
Canada Employment Insurance Financing Board  
Canadian Air Transport Security Authority  
Canadian Broadcasting Corporation  
Canadian Commercial Corporation  
Canadian Dairy Commission  
Canadian Museum of Civilization  
Canadian Museum of Immigration at Pier 21  
Canadian Museum of Nature  
Canadian Museum for Human Rights  
Canadian Race Relations Foundation  
Canadian Tourism Commission  
Defence Construction (1951) Limited  
Enterprise Cape Breton Corporation  
Federal Bridge Corporation Limited, The <sup>1</sup>  
First Nations Statistical Institute  
International Development Research Centre  
Marine Atlantic Inc.  
National Arts Centre Corporation  
National Capital Commission  
National Gallery of Canada  
National Museum of Science and Technology  
Old Port of Montreal Corporation Inc <sup>2</sup>  
PPP Canada Inc.  
Standards Council of Canada  
Telefilm Canada  
VIA Rail Canada Inc

<sup>1</sup> Includes the wholly-owned subsidiaries: The Jacques Cartier and Champlain Bridges Incorporated, Seaway International Bridge Corporation Limited and St. Mary's River Bridge Company.

<sup>2</sup> The Old Port of Montreal Corporation Inc is considered a consolidated Crown corporation up to November 29, 2012 (date of amalgamation with Canada Lands Company Limited).

---

**List of Enterprise Crown corporations,  
Other Consolidated Entities and  
Other Government Business Enterprises**

**Enterprise Crown corporations**

Atlantic Pilotage Authority  
Bank of Canada  
Blue Water Bridge Authority  
Business Development Bank of Canada  
Canada Deposit Insurance Corporation  
Canada Development Investment Corporation  
Canada Hibernia Holding Corporation  
Canada Lands Company Limited <sup>3</sup>  
Canada Mortgage and Housing Corporation  
Canada Post Corporation  
Export Development Canada  
Farm Credit Canada  
Freshwater Fish Marketing Corporation  
Great Lakes Pilotage Authority  
Laurentian Pilotage Authority  
Pacific Pilotage Authority  
Parc Downsview Park Inc <sup>4</sup>  
Ridley Terminals Inc.  
Royal Canadian Mint

<sup>3</sup> Includes the following divisions (as of November 29, 2012): The Old Port of Montreal Corporation Inc and Parc Downsview Park Inc.

<sup>4</sup> The Parc Downsview Park Inc is considered an enterprise Crown corporation up to November 29, 2012 (date of amalgamation with Canada Lands Company Limited).

### **Other Consolidated Entities**

Aboriginal Healing Foundation  
Canada Foundation for Innovation  
Canada Foundation for Sustainable Development Technology  
Canada Pension Plan Investment Board <sup>5</sup>  
First Nations Market Housing Funds  
Public Sector Pension Investment Board <sup>5</sup>  
St.-Lawrence Seaway Management Corporation

### **Other Government Business Enterprises**

Belledune Port Authority  
Canadian Wheat Board, The  
Halifax Port Authority  
Hamilton Port Authority  
Montreal Port Authority  
Nanaimo Port Authority  
Oshawa Port Authority  
Port Alberni Port Authority  
Prince Rupert Port Authority  
Quebec Port Authority  
Saguenay Port Authority  
Saint John Port Authority  
Sept-Iles Port Authority  
St. John's Port Authority  
Thunder Bay Port Authority  
Toronto Port Authority  
Trois-Rivières Port Authority  
Vancouver Fraser Port Authority  
Windsor Port Authority

<sup>5</sup> The activities of these corporations are recorded through pension accounting or are considered external to the Government reporting entity for the purposes of this chapter.



**Appendix B**  
**List of Crown corporations**  
**authorized to exercise**  
**Section 33 of the *Financial Administration Act***

Canada Mortgage and Housing Corporation  
Canadian Dairy Commission  
Export Development Canada  
Telefilm Canada

**For those accounts that are administered on behalf of the Government, and the activities of which are at least in part recorded in the Consolidated Revenue Fund.**

---

**Appendix C**  
**Excerpts of Sections 33 and 34 of the *Financial Administration Act***

33. (1) No charge shall be made against an appropriation except on the requisition of the appropriate Minister of the department for which the appropriation was made or of a person authorized in writing by that Minister.
- (2) Every requisition for a payment out of the Consolidated Revenue Fund shall be in such form, accompanied by such documents and certified in such manner as the Treasury Board may prescribe by regulation.
- (3) No requisition shall be made pursuant to subsection (1) for a payment that:
- (a) would not be a lawful charge against the appropriation;
  - (b) would result in an expenditure in excess of the appropriation; or
  - (c) would reduce the balance available in the appropriation so that it would not be sufficient to meet the commitments charged against it.
- (4) The appropriate Minister may transmit to the Treasury Board any requisition with respect to which that Minister desires the direction of the Board, and the Board may order that payment be made or refused. (R.S., c. F-10, s. 26).
34. (1) No payment shall be made in respect of any part of the federal public administration unless, in addition to any other voucher or certificate that is required, the deputy of the appropriate Minister, or another person authorized by that Minister, certifies:
- (a) in the case of a payment for the performance of work, the supply of goods or the rendering of services:
    - (i) that the work has been performed, the goods supplied or the service rendered, as the case may be, and that the price charged is according to the contract, or if not specified by the contract, is reasonable,
    - (ii) where, pursuant to the contract, a payment is to be made before the completion of the work, delivery of the goods or rendering of the service, as the case may be, that the payment is according to the contract, or

- (iii) where, in accordance with the policies and procedures prescribed under subsection (2), payment is to be made in advance of verification, that the claim for payment is reasonable; or
  - (b) in the case of any other payment, that the payee is eligible for or entitled to the payment.
- (2) The Treasury Board may prescribe policies and procedures to be followed to give effect to the certification and verification required under subsection (1).  
(R.S., 1985, c. F-11, s. 34; 1991, c. 24, s. 13; 2003, c. 22, s. 224 (E)).