JPS Communication Protocols¹

Auditor determines audit inquiry letter to law firm is required to collect sufficient appropriate audit evidence. (paras. 1, 15) Management (client) prepares inquiry letter in accordance with requirements of applicable financial framework. (para. 18) Management may consult with law firm before drafting inquiry letter. (para. 33) Auditor reviews inquiry letter and considers whether it complies with JPS and applicable financial reporting framework. (para. 34) Once finalized with management, law firm receives inquiry letter directly from auditor. (para. 36) If law firm cannot respond by specified If law firm disagrees with the reasonableness of, or response date (usually 5 days after effective is unclear on, management's evaluation of claims or date of response), propose and agree on possible claims, discuss with management (and alternate response date or agree to limited possibly auditor). (para. 40) response from law firm. (paras. 44, 45) If fail to agree on revised evaluation, Agree on revised review and confirm evaluation.2 accuracy of (para. 47(a), 56) auditor's memo of the discussion.3 (para. 47 (b)) If law firm identifies possible claims omitted from the Law firm examines records to identify claims and inquiry letter, discuss with management to ensure it possible claims against and by the entity as of the is aware of its responsibilities to disclose possible effective date of response. (para. 37) claims. (paras. 42, 43, 56) Law firm responds by response date with confirmation of reasonableness of management's evaluation of claims and possible claims based on legal expertise (or indicates that it cannot confirm) and specifies any outstanding claims omitted from the inquiry letter. (paras. 8, 39, 41, 54) Law firm may be asked for updated response letter to initial inquiry letter, to be delivered within 5 business days of effective date of updated response or other mutually agreeable response date. (paras. 57, 58)

^{1.} The following is a summary for illustrative purpose only. Reference should be made to the full text of the Joint Policy Statement.

² May lead to supplementary or amended inquiry letter which will then follow the same process as initial inquiry letter. (para. 56)

^{3.} If unresolved, the auditor may not be able to obtain sufficient appropriate audit evidence. (para. 47)

⁴ May lead to supplementary or amended inquiry letter which will follow the same process as the initial inquiry letter. (para. 56)