



Independent auditor's report

To the Chief Agent of the Liberal Party of Canada

Report on the Registered Party Return in respect of General Elections Expenses

Our qualified opinion

In our opinion, except for the effect of the matter described in the *Basis for qualified opinion* section of our report, the accompanying Registered Party Return in Respect of General Election Expenses (the Return) of the Liberal Party of Canada (the Party) for the general election of October 21, 2019, which includes the pre-writ period from June 30, 2019 to September 10, 2019 and the writ period from September 11, 2019 to October 21, 2019 is prepared, in all material respects, in accordance with the financial reporting provisions of Section 437 of the Canada Elections Act and the Political Financing Handbook for Registered Parties and Chief Agents issued by Elections Canada dated June 2019 including the related Written Opinions, Guidelines and Interpretation Notes issued by Elections Canada.

What we have audited

The Party's Return comprises:

- Part 2 – statement of partisan advertising and accessibility expenses;
- Part 3 – statement of general election expenses; and
- Part 4 – statement of expenses for voter contact calling services.

Basis for qualified opinion

Due to the inherent nature of the transactions of electoral campaigns, the completeness of expenses is not susceptible of satisfactory audit verification. Accordingly, our verification of these amounts was limited to the amounts recorded in the Chief Agent's accounting records. Therefore, we were not able to determine whether any adjustments might be necessary to the Return.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Return* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Independence

We are independent of the Party in accordance with the ethical requirements that are relevant to our audit of the Return in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – basis of accounting

Without modifying our opinion, we draw attention to the fact that the financial information has been prepared in accordance with the reporting requirements referred to above. The Return is prepared by the Chief Agent of the Liberal Party of Canada to meet the requirements of the Canada Elections Act. As a result, the Return may not be suitable for another purpose.

Responsibilities of the Chief Agent for the Election Expense Return

The Chief Agent is responsible for the preparation of the Return in accordance with the financial provisions of section 437 of the Canada Elections Act and the Political Financing Handbook for Registered Parties and Chief Agents issued by Elections Canada dated June 2019 including the related Written Opinions, Guidelines and Interpretation Notes issued by Elections Canada, and for such internal control as management determines is necessary to enable the preparation of the Return that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Party's financial reporting process.

Auditor's responsibilities for the audit of the Return

Our objectives are to obtain reasonable assurance about whether the Return as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Return.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Return, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Party's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by subsection 438(1) of the Canada Elections Act, in our opinion, the Return presents fairly the information contained in the financial records upon which it is based.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
June 19, 2020



Independent practitioner's reasonable assurance report on compliance

To the Chief Agent of the Liberal Party of Canada

We have undertaken a reasonable assurance engagement of the Liberal Party of Canada's compliance during the period of the general election of October 21, 2019, which includes the pre-writ period from June 30, 2019 to September 10, 2019 and the writ period from September 11, 2019 to October 21, 2019, with the applicable requirements established in Division 1 (General Financial Provisions) and Division 2 (Political Parties) of Part 18 (Financial Administration) of the Canada Elections Act (the Act), as per subsection 438(1) of the Act as set out in Note 1 (collectively, the legal provisions)

Chief Agent's responsibility

The Federal Liberal Agency of Canada, acting in its capacity as Chief Agent of the Liberal Party of Canada, is responsible for the Liberal Party of Canada's compliance with the legal provisions. The Chief Agent is also responsible for such internal control as the Chief Agent determines necessary to enable the Liberal Party of Canada's compliance with the legal provisions.

Our responsibility

Our responsibility is to express a reasonable assurance opinion on the Liberal Party of Canada's compliance based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3531, Direct Engagements to Report on Compliance. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether management's statement is fairly stated, in all material respects.

Reasonable assurance is a high level of assurance, but not a guarantee that an engagement conducted in accordance with this standard will always detect a material instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about management's statement of the entity's compliance with specified requirements. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of material misstatement of management's statement, whether due to fraud or error, and involves obtaining evidence about management's statement.

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Our independence and quality control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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The firm applies Canadian Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Basis for qualified opinion

Due to the inherent nature of the transactions of electoral campaigns, the completeness of expenses is not susceptible to satisfactory audit verification. Accordingly, our verification of the Liberal Party of Canada's compliance with the legal provisions referred to above was limited to the amounts recorded in the Chief Agent's accounting records.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the Liberal Party of Canada complied with the legal provisions during the pre-writ period from June 30, 2019 to September 10, 2019 and the writ period from September 11, 2019 to October 21, 2019, in all significant respects.

We do not provide a legal opinion on the Liberal Party of Canada's compliance with the specified legal provision.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
June 19, 2020



Note 1 – Applicable Requirements of the Canada Elections Act (CAE)

Part 18 – Financial Administration	
Division 1 – General Financial Provisions	
376(1)	<p>Election expenses</p> <p>The auditor has to ensure that election expenses as defined below are covered by the return:</p> <ol style="list-style-type: none">1. any cost incurred or non-monetary contribution received by a registered party, to the extent that the property or service that the cost was incurred for, or that was received as a non-monetary contribution, is used to directly promote or oppose a registered party or its leader during an election period; and2. any non-monetary transfer received from a registered association or a candidate of the registered party, to the extent that the property or services are used to directly promote or oppose a registered party or its leader during an election period. <p>This generally means that any expense reasonably incurred for property or services used during the election period in relation to an electoral campaign is an election expense of the party.</p>



<p>376(3)</p>	<p>Inclusions</p> <p>The auditor has to ensure that costs incurred, non-monetary contributions made and goods and services provided are recorded as election expenses, including but not limited to:</p> <ol style="list-style-type: none"> 1. the production of advertising or promotional material; 2. the distribution, broadcast or publication of such material in any media or by any other means during the election period, including by the use of a capital asset; 3. the payment of remuneration and expenses to or on behalf of a person for their services in any capacity; 4. securing a meeting space or the supply of light refreshments at meetings; 5. any product or service provided by a government, a Crown corporation or any other public agency; and 6. the conduct of election surveys or other surveys or research during an election period.
<p>376.1</p>	<p>Partisan advertising expenses</p> <p>The auditor has to ensure that reported partisan advertising expenses meet the following definitions:</p> <p>A partisan advertising expense of a registered party or an electoral district association of a registered party, as the case may be, includes any of the following:</p> <p>(a) any non-monetary contribution received by the party or association, to the extent that the property or service that was received as a non-monetary contribution is used in relation to the production of a partisan advertising message or the transmission of a partisan advertising message to the public; and</p> <p>(b) any acceptance by the party or association of a provision of goods or services that is permitted under subsection 364(2), to the extent that the goods or services are used in relation to the production of a partisan advertising message or the transmission of a partisan advertising message to the public.</p>



377.2 (1)	<p>Accessibility expenses</p> <p>The auditor has to ensure that reported accessibility expenses meet the following definitions</p> <p>(a) the amount of any cost incurred, or non-monetary contribution received, by the party or candidate, to the extent that the property or service that the cost was incurred for — or that was received as a non-monetary contribution — is used solely to make accessible, to persons with a disability, materials used or activities held during an election period;</p> <p>(b) the difference between the amounts referred to in subparagraphs (i) and (ii), to the extent that the amount referred to in subparagraph (i) is greater than the amount referred to in subparagraph (ii):</p> <ul style="list-style-type: none">(i) the amount of any cost incurred, or non-monetary contribution received, by the party or candidate, to the extent that the property or service that the cost was incurred for — or that was received as a non-monetary contribution — is used for materials used or activities held during an election period and those materials or activities are accessible to persons with a disability, and(ii) the amount equal to the value of the property or service if the materials or activities had not been accessible to persons with a disability; <p>(c) the amount equal to the value of goods or services referred to in subsection 364(2) that are accepted by the party or candidate, to the extent that the goods or services are used solely to make accessible, to persons with a disability, materials used or activities held during an election period; and</p> <p>(d) the difference between the amounts referred to in subparagraphs (i) and (ii), to the extent that the amount referred to in subparagraph (i) is greater than the amount referred to in subparagraph (ii):</p> <ul style="list-style-type: none">(i) the amount equal to the value of goods or services referred to in subsection 364(2) that are accepted by the party or candidate, to the extent that the goods or services are used for materials used or activities held during an election period and those materials or activities are accessible to persons with a disability, and(ii) the amount equal to the value of the goods or services if the materials or activities had not been accessible to persons with a disability.
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380(1)	<p>Evidence of payment – \$50 or more For all expenses of \$50 or more incurred under the CEA, by or on behalf of the registered party, the auditor has to ensure that the agent or any other person authorized to pay the expense under the CEA has kept a copy of the invoice prepared by the claimant setting out the nature of the expense, together with proof that it was paid.</p>
380(2)	<p>Evidence of payment – under \$50 For all expenses of less than \$50 incurred and paid as described in subsection (1), the auditor has to ensure that the person who made the payment has kept a record of the nature of the expense, together with proof that it was paid.</p>
381(1)(a)	<p>Petty expenses The auditor has to ensure that only registered agents of the registered party have authorized other persons to pay petty expenses such as office supplies, postage and courier services. The auditor also has to ensure that only petty expenses were paid by the persons so authorized by the registered agents of the party.</p>
381(2)	<p>Authorized maximum The auditor has to ensure that the written authorization specifies a limit for the total amount of petty expenses that the person is authorized to pay.</p>
381(3)(a)	<p>Statement and evidence of payment In the case of a petty expense incurred on behalf of the registered party, the auditor has to ensure that the person who was authorized to make the payment provided the agent who authorized it with a detailed statement of payments made, accompanied by all related documents referred to in section 380, within three months after the day on which the expense was incurred.</p>
381(4)	<p>Prohibition The auditor has to ensure that the total amount of expenses paid by the authorized person did not exceed the limit specified in the written authorization.</p>
<p>Division 2 – Political Parties</p>	
<p>Subdivision b – Financial Administration of Registered Parties</p>	
426(1)	<p>Prohibition – paying expenses The auditor has to ensure that only a registered agent of the registered party or a person authorized under subsection 381(1) paid the party's expenses.</p>
426(2)	<p>Prohibition – incurring expenses The auditor has to ensure that only a registered agent of the registered party incurred the party's expenses.</p>



426 (2.1)	Expenses incurred by registered agent other than chief agent The auditor has to ensure that a registered agent— other than the chief agent — of a registered party shall, before incurring the party’s expenses, obtain the written authorization of the chief agent to incur those expenses, and shall incur them only in accordance with that authorization.
426(3)	Prohibition – accepting contributions, borrowing The auditor has to ensure that only a registered agent of the registered party accepted contributions to the registered party or borrowed money on its behalf.
426(4)(a)	Prohibition – accepting or providing goods The auditor has to ensure that only a registered agent of the registered party accepted a provision of goods or services, if the provision was permitted under section 364.
429.2(1)	Prohibition — partisan advertising expenses more than maximum amount The auditor has to ensure that the chief agent of a registered party did not incur partisan advertising expenses on the party’s behalf of a total amount of more than the maximum amount calculated under section 429.1.
431(1)	Prohibition – election expenses more than maximum The auditor has to ensure that the chief agent of the registered party did not incur election expenses on the party’s behalf of a total amount greater than the limit specified under section 430.