



## PETROLEUM ACCOUNTANTS SOCIETY OF CANADA

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### 2008 Recommended Joint Venture Audit Rate

The Board of Directors has approved a joint venture audit rate of \$90.00 per hour effective January 1, 2008 as recommended by the Joint Venture Audit Committee (JVAC).

In JVAC's analysis several criteria were used in developing the recommended rate.

The criteria included:

- The 2007 joint venture audit rate (\$85.00 per hour).
- The yearly increase/decrease in the Consumer Price Index <sup>(1)</sup> for the preceding twelve month period effective April 30, 2007 as reported by Statistics Canada (for the purposes of determining a 2008 rate, a 6.00% increase was used – April 2006 vs. April 2007 Consumer Price Indexes).
- Statistical analysis (sensitivity cases) taking into consideration certain cost elements that would normally be incurred by companies that employ a senior joint venture auditor.
- Other business type costs (i.e. variable pay, annual bonuses, signing bonuses, retention bonuses, profit sharing plans, corporate share option plans, non-cash benefits and remuneration).

<sup>(1)</sup>*Data from Statistics Canada – CANSIM Table 326-0001 (Consumer Price Indexes, by City – for the city of Calgary) and Catalogue nos. 62-001-XPS and 62-010-XIB. Please note that the Statistics Canada Survey used in helping to establish the 2008 recommended rate is different from the survey that was used last year (Survey 2612, Table 281-0026). **It is our opinion that the current Survey is more reflective of the business environment that exists in the Province of Alberta and specifically in the City of Calgary.***

Please note that this is a recommended rate only. Companies may negotiate a higher or lower rate for any audit engagement based on the auditor's experience and knowledge. However, when engaging an independent contract auditor, at no time shall the rate charged to the other audit participants exceed the rate actually paid to the independent contract auditor.

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**2008 Recommended Joint Venture Audit Rate Continued...**

The JVAC will continue to review the criteria annually to ensure the relevancy of such criteria in determining future recommended joint venture audit rates.

Yours truly,

A handwritten signature in black ink, appearing to read 'Matthew Breadner', with a long horizontal flourish extending to the right.

**Matthew Breadner**  
**President**