

## **BASIS FOR CONCLUSIONS CANADIAN STANDARD ON ASSURANCE ENGAGEMENTS (CSAE) 3530, Attestation Engagements to Report on Compliance and CANADIAN STANDARD ON ASSURANCE ENGAGEMENTS (CSAE) 3531, Direct Engagements to Report on Compliance**

March 2018

This Basis for Conclusions has been prepared by staff of the Auditing and Assurance Standards Board (AASB). It relates to, but does not form part of, Canadian Standard on Assurance Engagements (CSAE) [3530](#), *Attestation Engagements to Report on Compliance*, or CSAE [3531](#), *Direct Engagements to Report on Compliance*.

### **Purpose of this Basis for Conclusions**

This Basis for Conclusions provides a brief summary of the AASB's objectives in developing [CSAE 3530](#) and [CSAE 3531](#), the public exposure and approval steps for this project and how the AASB dealt with significant matters arising from comments received in response to its Exposure Drafts. This information is set out below.

### **Background**

[CSAE 3530](#) and [CSAE 3531](#) replace the following Sections:

- Section 5800, SPECIAL REPORTS — INTRODUCTION;
- Section 5815, SPECIAL REPORTS — AUDIT REPORTS ON COMPLIANCE WITH AGREEMENTS, STATUTES AND REGULATIONS; and
- Section 8600, REVIEWS OF COMPLIANCE WITH AGREEMENTS AND REGULATIONS.

The standards also replace AUDITING FOR COMPLIANCE WITH LEGISLATIVE AND RELATED AUTHORITIES IN THE PUBLIC SECTOR, paragraphs PS 5300.11-.13, addressing engagements that require an auditor, depending on the audit mandate, to express an opinion on whether an entity complied with specified authorities or whether its transactions were carried out in compliance with specified authorities.

The project to revise and replace these Sections was started in 2011.

In September 2015, the AASB issued an Exposure Draft of CSAE 3530 (ED-CSAE 3530). Ten written responses were received (identified below). The AASB consulted widely on ED-CSAE 3530, including a webinar and several round-table sessions across Canada.

In response to stakeholders' input, the AASB made substantive changes to the proposed CSAE to improve the understandability and clarity of the standard. In April 2017, the AASB issued a Re-exposure Draft of CSAE 3530 and CSAE 3531 (Re-ED CSAE 3530/3531). Five written responses to Re-ED CSAE 3530/3531 were received (identified below). The AASB held consultations and a webinar on Re-ED CSAE 3530/3531.

The AASB approved [CSAE 3530](#) and [CSAE 3531](#) at its meeting in December 2017. The Auditing and Assurance Standards Oversight Council confirmed that the AASB followed due process in developing CSAE 3530 and CSAE 3531 and related consequential amendments prior to their issuance in the CPA Canada Handbook – Assurance.

### **AASB's objectives in developing CSAE 3530 and CSAE 3531**

The AASB's objectives in developing [CSAE 3530](#) and [CSAE 3531](#) included redrafting the existing Sections in the clarity format and making revisions to align with new assurance standards [CSAE 3000](#), *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*, and [CSAE 3001](#), *Direct Engagements*, which were issued in July 2015.

The project addressed the following public interest issues:

- aligning performance of these engagements with [CSAE 3000](#) and [CSAE 3001](#);
- improving consistency in how practitioners perform and report on these engagements; and
- requiring more transparency and clarity in reporting.

### **Significant Matters**

#### **Relationship with assurance standards**

*Developing a separate standard under CSAE 3000 and CSAE 3001*

1. The AASB issued two new standards for assurance engagements other than audits or reviews of historical financial information, [CSAE 3000](#) and [CSAE 3001](#), in July 2015. These standards have broad applicability and, therefore, could be applied to a variety of engagements, including compliance reporting engagements. The AASB considered whether

there was a need for a separate standard specific to compliance engagements. The AASB recognized that a separate standard, highlighting particular areas relevant to these types of engagements, would increase consistency in work effort and reporting. The AASB considered developing a standard that would stand alone from CSAE 3000 and CSAE 3001. The AASB concluded that this approach would result in unnecessary duplication of material. The AASB decided that a more appropriate approach would be to develop a standard that addresses only those areas where an additional explanation is necessary to perform and report on a compliance engagement, making cross references to CSAE 3000 and CSAE 3001, as appropriate.

2. One respondent suggested that, rather than a separate standard, material specific to compliance engagements could be added in appendices to [CSAE 3000](#) and [CSAE 3001](#). The AASB rejected this approach as one that would unnecessarily add to the overall length of CSAE 3000 and CSAE 3001.
3. Overall, respondents to ED-CSAE 3530 and Re-ED CSAE 3530/3531 were supportive of a separate standard for compliance engagements. However, some respondents said that practitioners may not fully understand the relationship between the compliance reporting standard and [CSAE 3000](#) and [CSAE 3001](#).
4. The AASB noted that the scope sections of both CSAE 3530 and CSAE 3531 clearly set out their relationship with [CSAE 3000](#) and [CSAE 3001](#), respectively. Further, paragraph 14 of CSAE 3530 and paragraph 16 of CSAE 3531 set out the topics from CSAE 3000 and CSAE 3001 not specifically addressed in CSAE 3530 or CSAE 3531. Both CSAE 3530 and CSAE 3531 also include several references to CSAE 3000 and CSAE 3001, respectively. The AASB concluded that this is sufficiently clear to practitioners and proposed no further changes.

#### *Separate standards for attestation and direct compliance reporting engagements*

5. ED-CSAE 3530 proposed one CSAE that would address both attestation compliance reporting engagements and direct compliance reporting engagements. Respondents to ED-CSAE 3530 said that the resulting standard was too complicated and covered too much material.
6. The AASB reconsidered its reasons for addressing the two types of engagements in one standard, and agreed with comments received. It decided that issuing two separate standards may result in standards that are simpler and more straightforward for practitioners and other stakeholders. It proposed two standards in Re-ED CSAE 3530/3531: CSAE 3530 and CSAE 3531. Respondents to Re-ED CSAE 3530/3531 supported this approach and agreed that the AASB appropriately identified the differences between attestation and direct compliance reporting engagements.

#### *Reasonable assurance and limited assurance engagements*

7. Consistent with [CSAE 3000](#) and [CSAE 3001](#), ED-CSAE 3530 and Re-ED CSAE 3530/3531 address both reasonable and limited assurance compliance reporting engagements.
8. Some respondents asked the AASB to consider developing a standard for reasonable assurance compliance reporting engagements separate from limited assurance compliance reporting engagements to mirror the construct of the existing Sections 5815 and 8600. These respondents noted that some practitioners may not be familiar with language associated with reasonable assurance engagements. In their view, it may be confusing, not to mention time consuming, for practitioners to determine which requirements apply to reasonable assurance and which apply to limited assurance engagements. One respondent said that practitioners may misunderstand that certain requirements are applicable to both levels of assurance.
9. The AASB believes that many procedures performed in a compliance reporting engagement are similar for reasonable assurance and limited assurance. The AASB noted that differences in requirements are clearly highlighted using a tabular format that has proven to be effective in other standards, including [CSAE 3000](#) and [CSAE 3001](#). Further, the standards contain illustrative reports for both a reasonable assurance and a limited assurance engagement, reducing the risk of confusion. The AASB concluded that it is appropriate to address reasonable and limited assurance together in the standards.

#### **Terminology**

10. ED-CSAE 3530 used the terms "audit" and "reasonable assurance" and "review" and "limited assurance" interchangeably to reflect the different levels of assurance the practitioner may obtain. The terms "audit" and "review" were used to provide a linkage to the existing Sections 5815 and 8600. The terms "reasonable assurance" and "limited assurance" were used to link to [CSAE 3000](#) and [CSAE 3001](#).
11. Respondents to ED-CSAE 3530 expressed confusion with the terminology and asked the AASB to be consistent with the terms used. However, respondents expressed mixed views about the preferable terminology.
12. CSAE 3000 and CSAE 3001 define "reasonable assurance engagement" and "limited assurance engagement" (i.e., not "audit" or "review"). Paragraphs C12.C(a)(i)a of CSAE 3000 and 14(a)(i)a of CSAE 3001 acknowledge that a reasonable assurance engagement may be referred to as an audit engagement, and that a limited assurance engagement may be referred to as a review engagement. However, the terms used throughout CSAE 3000 and CSAE 3001, as well as other standards for assurance engagements other than audits or review of historical financial information (collectively referred to as "the 3000 series") are "reasonable assurance engagement" and "limited assurance engagement". Further, in Canada, the terms "audit" and "review" are more commonly associated with engagements related to historical financial information. There is a risk that users may be confused if the terms "audit" or "review" were to be used when reporting in accordance with standards in the 3000 series. The terms "reasonable

assurance" and "limited assurance" draw a better distinction between the different engagements and a clearer recognition that the assurance obtained is dependent on the subject matter.

13. Therefore, the AASB concluded that the terms used in [CSAE 3530](#) and [CSAE 3531](#) should be consistent with those used in [CSAE 3000](#) and [CSAE 3001](#). As a result, CSAE 3530 and CSAE 3531 do not use the terms "audit" or "review".

## **Work effort**

### *Significant interpretations*

14. ED-CSAE 3530 required practitioners to develop interpretations and seek acknowledgment from management that the interpretations are appropriate in situations when, after accepting the engagement, the practitioner discovers that significant interpretations are necessary to provide suitable criteria for the engagement circumstances.
15. A respondent to ED-CSAE 3530 suggested that the practitioner should consider whether interpretations may be necessary before accepting the engagement. The AASB agreed and proposed changes in Re-ED CSAE 3530/3531. The changes included requiring the practitioner to consider the likelihood of being able to develop necessary interpretations and obtain acknowledgment from management at the acceptance stage, as well as obtaining acknowledgment from management about the suitability of criteria and interpretations at the performance stage.
16. A respondent to Re-ED CSAE 3530/3531 asked for further clarification on what actions the practitioner may take if such management acknowledgment is not obtained.
17. [CSAE 3000](#) does not require the practitioner to obtain management's acknowledgment that criteria are suitable for the engagement. Further, CSAE 3000 does not address the concept of interpretations.
18. In considering the comment raised by the respondent, the AASB decided to remove the CSAE 3530 requirement that the practitioner obtain acknowledgment from management regarding the suitability of criteria to be consistent with [CSAE 3000](#). However, the practitioner is required in paragraph [25](#) of CSAE 3530 to identify or develop the necessary criteria for the engagement.
19. The practitioner is required in paragraph [26](#) of CSAE 3530 to develop an interpretation, where necessary, and seek acknowledgment from management that the interpretation is suitable. If the practitioner is unable to develop the interpretation or obtain acknowledgment from management, the practitioner would take the necessary actions set out in paragraphs [42](#)–[43](#) of CSAE 3000.
20. On the other hand, [CSAE 3001](#) requires the practitioner to seek the responsible party's written acknowledgment in situations when criteria need to be revised in order to be suitable for the engagement.
21. The AASB determined that it is appropriate in paragraph [27](#) of CSAE 3531 to retain the requirement that the practitioner seek acknowledgment from management that the criteria are suitable. Further, paragraph [28](#) requires the practitioner to seek acknowledgment from management that the interpretation is suitable. Both paragraphs 27 and 28 refer the practitioner to paragraphs [46](#)–[48](#) of CSAE 3001, for guidance in situations when such acknowledgment is not obtained.

### *Materiality*

22. A respondent to ED-CSAE 3530 asked the AASB to include more guidance on how to apply materiality in compliance reporting engagements.
23. In response to comments received, Re-ED CSAE 3530/3531 more clearly set out when the practitioner considers materiality in a compliance reporting engagement (paragraph [22](#) of CSAE 3530 and paragraph [24](#) of CSAE 3531). In addition, paragraph [A13](#) of CSAE 3530 and paragraph [A11](#) of CSAE 3531 note that materiality considerations would not differ between a reasonable assurance and a limited assurance engagement. In direct compliance reporting engagements, the term "significance" is used in place of "materiality".
24. No additional comments were raised by respondents to Re-ED CSAE 3530/3531 on this topic.

### *Risk assessment*

25. A respondent to ED-CSAE 3530 asked the AASB to include more material on performing a risk assessment in a compliance reporting engagement, noting that there is little guidance in [CSAE 3000](#) and [CSAE 3001](#).
26. The AASB agreed with the respondent, but also recognized that the standards have to be applicable to a wide range of engagements to report on compliance. Application material in paragraph [A26](#) of CSAE 3530 and [A23](#) of CSAE 3531 help practitioners determine what to consider in performing the risk assessment as required in paragraph [23L/23R](#) of CSAE 3530 and [30L/30R](#) of CSAE 3531.
27. No additional comments were raised by respondents to Re-ED CSAE 3530/3531 on this topic.

## **Reporting**

### *Alignment with other standards in the Handbook*

28. Respondents to both ED-CSAE 3530 and Re-ED CSAE 3530/3531 suggested the AASB align the practitioner's compliance report with [CAS 700](#), *Forming an Opinion and Reporting on Financial Statements*, or [CSRE 2400](#), as appropriate. Respondents noted that the enhanced auditor reporting format is an improvement that should be applied to all practitioner's reports. Respondents also noted that the wording of limited assurance reports should be similar between engagements to report on compliance and engagements performed in accordance with CSRE 2400, as these are both examples of limited assurance engagements.

29. The AASB noted that practitioners' reports in [CSAE 3530](#) and [CSAE 3531](#) need to align with [CSAE 3000](#) and [CSAE 3001](#). CSAE 3000 is adopted from International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB). The IAASB has not yet applied the enhanced auditor reporting format reflected in [CAS 700](#) to other assurance standards. If the IAASB makes such changes, the AASB will consider whether revisions to the practitioner's report on compliance are necessary. The AASB concluded not to make any changes to the format of the practitioner's report.
30. The AASB noted that the procedures in a limited assurance compliance engagement are not the same as a review engagement on historical financial information because the subject matter is different. Further, as noted above, the reports in [CSAE 3530](#) and [CSAE 3531](#) need to align with [CSAE 3000](#) and [CSAE 3001](#). The AASB concluded not to modify the limited assurance compliance report to align with [CSRE 2400](#).

#### *Use of subheadings in the illustrative examples*

31. A respondent to Re-ED CSAE 3530/3531 suggested that the report would be clearer if it contained subheadings, similar to those used in other illustrative reports in the Handbook.
32. [CSAE 3000](#) and [CSAE 3001](#) do not require using subheadings in the practitioner's report. To be consistent with those standards, CSAE 3530 and CSAE 3531 do not require the practitioner to use subheadings. However, the AASB added application material in paragraphs [A50](#) of CSAE 3530 and [A46](#) of CSAE 3531 so that the practitioner may choose to use subheadings to help readers understand the report. To demonstrate the possible use of subheadings, the illustrative reports in CSAE 3530 and CSAE 3531 contain subheadings.

#### *Addressing the report*

33. Some respondents to Re-ED CSAE 3530/3531 asked the AASB to consider providing more guidance on how to identify the appropriate addressee in the circumstances of compliance reporting engagements. Respondents noted that the requirement did not provide sufficient guidance. It might not always be evident in a compliance reporting engagement to whom the report should be addressed. In some cases, the practitioner may not be engaged by management.
34. Although there is some guidance in [CSAE 3000](#) and [CSAE 3001](#) it does not address the specific circumstances of compliance reporting engagements. The AASB agreed with the respondents, and added application material in paragraphs [A36](#) of CSAE 3530 and [A32](#) of CSAE 3531.

#### *Explicit management statement of compliance*

35. In an attestation engagement a party other than the practitioner measures or evaluates the underlying subject matter against the criteria (called the "measurer" or "evaluator" in [CSAE 3000](#)). In the case of an attestation compliance engagement, the measurer or evaluator, typically management, evaluates whether the entity complied with specified requirements. Therefore, it is necessary for management to make an explicit, written statement of compliance for the engagement to be an attestation engagement. On the other hand, in a direct engagement, the practitioner evaluates whether the entity complied with specified requirements, and no such report or statement is typically made by the measurer or evaluator.
36. ED-CSAE 3530 did not address the need for management to make an explicit statement of compliance in an attestation engagement. However, when developing Re-ED CSAE 3530/3531, the AASB recognized that clarity was needed in CSAE 3530. Therefore, paragraph [3](#) establishes parameters for attestation engagements. To be an attestation engagement, management of the entity has to prepare an explicit, written statement of compliance to be provided to users so they can understand the outcome of management's evaluation. Paragraph [A7](#) notes that a schedule prepared by management to implicitly demonstrate the entity's compliance with specified requirements does not constitute management's written statement of compliance for the purpose of the CSAE.
37. No comments were raised by respondents to Re-ED CSAE 3530/3531 on this topic.

#### *Engagement designed for a specific purpose*

38. ED-CSAE 3530 included a requirement for the practitioner to include a statement, in an attestation engagement, alerting readers to the fact that the engagement is designed for a specific purpose and that, as a result, the report may not be suitable for another purpose. A respondent to ED-CSAE 3530 questioned whether such a statement was necessary and, if so, why there was no requirement to include the same statement for a direct engagement.
39. There is a similar requirement in paragraph [C69\(f\)](#) of CSAE 3000. In relatively few circumstances, the practitioner may feel that because of the underlying subject matter or the criteria used, even though the objective of the engagement is clearly stated, there is a risk that users may inappropriately try to analogize the conclusions of the engagement for other "specific purposes" for which the engagement was not intended. There is no such requirement in [CSAE 3001](#) because the AASB believed that it is less likely that users may try to analogize the conclusions.
40. In considering the question from the respondent, the AASB believed that there may be some risk in compliance reporting engagements that a user will try to analogize the practitioner's conclusion for another purpose. As a result, the AASB decided to keep the requirement in paragraph [35\(n\)](#) of CSAE 3530 that the practitioner indicate that the practitioner's report is designed for a specific purpose and, as a result, management's statement of compliance may not be suitable for another purpose. In addition, application material in paragraph [A47](#) indicates that the practitioner may also include a restriction on the distribution or use of the report.
41. No comments were raised by respondents to Re-ED CSAE 3530/3531 on this topic.

#### *Informative summary*

42. ED-CSAE 3530 required the practitioner to include an informative summary of the work performed as a basis for the conclusion in the report on compliance. Respondents asked the AASB to clarify this requirement. The AASB proposed minor changes in Re-ED CSAE 3530/3531. However, respondents still noted that more guidance was necessary to explain the amount of detail and possible content of such a summary. Respondents also noted that it is not obvious what wording in the illustrative reports comply with the requirement. Respondents stated that additional guidance would help improve consistency in applying the requirement.
43. The practitioner is required to determine the nature and extent of procedures to perform for the specific engagement. The informative summary of the work performed may vary, especially considering the diversity of compliance reporting engagements. The AASB believes that including detailed examples in the application material or illustrative reports would not be very useful. In fact, practitioners could interpret such examples as minimum or typical procedures for every compliance reporting engagement.
44. However, the AASB acknowledged that additional guidance is necessary. The AASB added application material in paragraphs [A39](#)-A43 of CSAE 3530 and [A35](#)-A39 of CSAE 3531 that sets out what the practitioner may consider in determining the amount of detail to be provided in the informative summary. In addition, the illustrative reports contain a placeholder to indicate where a more detailed description may be included.

#### *When the practitioner is not a professional accountant*

45. ED-CSAE 3530 included a requirement for the practitioner to include in the practitioner's report on compliance, a statement that the firm applies [CSQC 1](#), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements*, or other professional requirements, or requirements in law or regulation, that are at least as demanding as CSQC 1 (paragraphs [35\(j\)](#) of CSAE 3530 and [37\(j\)](#) of CSAE 3531). ED-CSAE 3530 also required a statement that the practitioner complies with the independence and other ethical requirements of 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, or other professional requirements, or requirements imposed by law or regulation, that are at least as demanding (paragraphs [35\(k\)](#) of CSAE 3530 and [37\(k\)](#) of CSAE 3531). Both requirements state that if the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding.
46. Respondents to ED-CSAE 3530 asked whether it was necessary to address the situation where the practitioner is not a professional accountant. These respondents noted that it is unlikely that a person who is not a professional accountant would undertake a compliance reporting engagement. The AASB believed that it is appropriate to address those circumstances, as they may occur in practice. Therefore, the requirement was not changed. This also results in consistency with requirements in [CSAE 3000](#) and [CSAE 3001](#).
47. No comments were raised by respondents to Re-ED CSAE 3530/3531 on this topic.

#### *Wording of the conclusion*

48. ED-CSAE 3530 required the practitioner to conclude, in a reasonable assurance attestation engagement, on whether management's assertion about its compliance with specified provisions is appropriate, in all material respects. For a limited assurance engagement, the conclusion was framed in terms of whether anything came to the practitioner's attention to cause the practitioner to believe that management's statement of the entity's compliance is not appropriate, in all material respects. Respondents to ED-CSAE 3530 asked the AASB to reconsider the wording of the conclusion, noting that it did not align with the options available for the conclusion in [CSAE 3000](#).
49. The AASB reconsidered its reasons for the original proposed wording and decided that revised wording of the conclusion would be more appropriate to clearly distinguish the different nature of attestation and direct engagements. The AASB believes that this is important because in an attestation engagement, management (not the practitioner) measures or evaluates the entity's compliance. The practitioner reports on management's written statement of the entity's compliance.
50. Accordingly, in an attestation compliance engagement, the conclusion for a reasonable assurance engagement is as follows: "management's statement that the entity complied with the specified requirements is fairly stated, in all material respects." For a limited assurance engagement, the conclusion is: "nothing has come to our attention that causes us to believe that management's statement that it has complied ... is not fairly stated, in all material respects."
51. No additional comments were raised by respondents to Re-ED CSAE 3530/3531 on this topic.

#### *Modified conclusions*

52. A respondent to ED-CSAE 3530 asked the AASB to add guidance and illustrative examples of modified conclusions. Another asked to address situations when the practitioner cannot provide an opinion or conclusion (i.e., must express a disclaimer of conclusion). The AASB agreed that illustrative examples of modified opinions and conclusions would be useful and added examples in paragraphs [A54](#) of CSAE 3530 and [A50](#) of CSAE 3531. With regard to a disclaimer of conclusion, the AASB did not believe there is anything specific to compliance reporting engagements that would result in a need for a requirement or application material in CSAE 3530 or CSAE 3531. The topic is sufficiently addressed in [CSAE 3000](#) and [CSAE 3001](#).

53. In addition, a respondent noted an inconsistency in that paragraph 77 of CSAE 3000 sets out two options in the situation when management's statement of compliance properly describes that the subject matter information is materially misstated, while paragraph A56 of CSAE 3530 only sets out one option. CSAE 3530 requires the practitioner to phrase the conclusion in terms of management's statement of compliance. This aligns with only one option in paragraph 77 of CSAE 3000. As a result, the second option in paragraph 77 of CSAE 3000 does not apply to compliance reporting engagements.

54. No comments were raised by respondents to Re-ED CSAE 3530/3531 on this topic.

#### *Legal opinion statement*

55. Both ED-CSAE 3530 and Re-ED CSAE 3530/3531 included a requirement for practitioners to include a statement in the practitioner's report on compliance that the engagement is not a legal analysis of the entity's compliance with the specified requirements.
56. A respondent to ED-CSAE 3530 questioned the inclusion of such requirement, noting that other standards do not include such a requirement. The AASB did not remove the requirement in Re-ED CSAE 3530/3531, as it felt the statement is necessary because of the subject matter - agreements, statutes and regulations.
57. The AASB felt that the statement will help readers better understand the practitioner's involvement with the engagement, which is in the public interest. The statement will provide the intended users additional context for understanding the practitioner's conclusion.
58. A respondent to Re-ED CSAE 3530/3531 expressed a concern that the use of the term "legal analysis" was misleading, as the practitioner may have performed some analysis of the specified requirements. This seems contradictory to the practitioner's conclusion or opinion regarding compliance.
59. The AASB agreed with the respondent and changed the wording required by paragraphs 35(l) of CSAE 3530 and 37(l) of CSAE 3531. The practitioner will state that the practitioner does not provide a legal opinion on the entity's compliance with the specified requirements.

#### **Effective date**

60. Re-ED CSAE 3530/3531 proposed that [CSAE 3530](#) and [CSAE 3531](#) would be effective for practitioner's reports on compliance dated on or after April 1, 2019, with earlier application permitted.
61. Some respondents to Re-ED CSAE 3530/3531 supported this proposal, noting that it is important to have the new standards effective as soon as possible, since [CSAE 3000](#) and [CSAE 3001](#) are already in effect.
62. Others suggested that the effective date be delayed. These respondents noted that requests for compliance reporting engagements are often established in laws and regulations. The legal and regulatory authorities may not have sufficient time to revise their requirements. Further, a practitioner's report on compliance dated after April 1, 2019, would likely be related to a fiscal year-end of a company ending March 31, 2019. This fiscal year would begin April 1, 2018, shortly after the issuance of the standard. Respondents expressed concern that practitioners would not have enough time to prepare for their engagements.
63. In the AASB's view, the proposed effective date would allow sufficient time for implementation of [CSAE 3530](#) and [CSAE 3531](#).

#### **Other**

64. Respondents to ED-CSAE 3530 noted that there is a lack of guidance in the Handbook to address situations where a stakeholder's assurance needs do not clearly fit within one specific standard. They indicated that a practitioner may be requested to perform an engagement that includes a compliance reporting engagement and another reporting engagement (e.g., a report on the financial information used to determine compliance). Alternately, a practitioner may be asked to provide reasonable assurance and limited assurance on different subject matters within the same report. Such requests are becoming more common in practice and are often referred to as "multi-scope" engagements. There seems to be confusion in practice in determining which standards to use, and how to apply them, when performing a multi-scope engagement.
65. The AASB concluded that any potential guidance in this area goes beyond the scope of [CSAE 3530](#) and [CSAE 3531](#) and will be dealt with separately. Given the potential complexities of addressing multi-scope engagements, the AASB decided that the topic requires further study.

#### **List of Respondents to the Exposure Draft and Re-exposure Draft**

<b>Respondent</b>	<b>Exposure Draft</b>	<b>Re-exposure Draft</b>
Provincial Auditor of Saskatchewan	v	v
Chartered Professional Accountants of British Columbia	v	
Donna Pinsky	v	
BDO Canada LLP	v	

Julian Gheorghiu, CPA, CA	v	
PWC LLP	v	v
MNP LLP	v	
Zeenat Chisti	v	
Ordre des comptables professionnels agréés du Québec	v	v
Vérificateur général du Québec	v	
Office of the Auditor General of Alberta		v
Grant Thornton LLP		v

#### Summary of Participants in Webinars

	Registered	Attended "Live"	Attended "On Demand"
Exposure Draft	1,484	249	1,090
Re-exposure Draft	542	183	406

#### Summary of Participants in Face-to-Face Consultations

Location	Practitioners	Third Parties / Industry	Other	Total
Halifax	10	0	1	11
St John's	7	1	2	10
Regina	6	5	3	14
Calgary	3	2	2	7
Edmonton	5	0	4	9
Vancouver	5	0	2	7
Montreal	14	7	7	28
Toronto	1	1	3	5
<b>TOTAL</b>	<b>51</b>	<b>16</b>	<b>24</b>	<b>91</b>

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