

CPA Canada Handbook – Assurance

highlight summary no. 19

June 2017

Handbook Restructuring

The Handbook has been restructured as follows:

- [Handbook post-auditor reporting](#); and
- Handbook pre-auditor reporting.

All changes outlined below are contained in "[Handbook post-auditor reporting](#)." The following two segments have been discontinued:

- Recently Replaced Pronouncements Still in Effect; and
- Record of Changes.

To assist practitioners who do not choose to apply the changes prior to their effective date, the Handbook as it existed prior to June 1, 2017 is being retained. No further changes will be made to the "Handbook pre-auditor reporting."

[Preface to the CPA Canada Handbook – Assurance](#)

The *Preface* has been revised to identify in [Appendix 2](#):

- Canadian Auditing Standards (CASs) with an effective date that differs from that in the corresponding International Standards on Auditing (ISAs);
- a CAS with a different scope from the corresponding ISA; and
- documents that would normally be considered to be within the scope of a revised CAS.

The revised [Preface](#) is effective as of June 1, 2017.

Addressing Disclosures in the Audit of Financial Statements

The requirements in the following standards have been revised to enhance the audit of financial statement disclosures:

CAS 315, *Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment*, paragraphs [18](#) and [26](#); and

CAS 330, *The Auditor's Responses to Assessed Risks*, paragraphs [20](#), [24](#) and [30](#).

Editorial changes have been made to other standards as a result of issuing the new and revised auditor reporting standards.

The revised requirements are effective for audits of financial statements for periods ending on or after December 15, 2018. Earlier application is permitted.

[CAS 701, Communicating Key Audit Matters in the Independent Auditor's Report](#)

This new Canadian Auditing Standard sets out requirements related to:

- determining key audit matters;
- communicating key audit matters;
- communicating with those charged with governance; and
- documentation.

[CAS 701](#) applies when the auditor communicates key audit matters as required by [CAS 700](#). CAS 700 requires the auditor to communicate key audit matters:

- when the auditor is required by law or regulation; or
- when the auditor decides to do so.

As a result of the issuance of [CAS 701](#), the following standards have been revised and replaced:

[CAS 260](#), *Communication with Those Charged with Governance*;

CAS 570, *Going Concern*;

[CAS 700](#), *Forming an Opinion and Reporting on Financial Statements*;

[CAS 705](#), *Modifications to the Opinion in the Independent Auditor's Report*;

[CAS 706](#), *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*;

[CAS 800](#), *Special Considerations — Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*;

[CAS 805](#), *Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*; and

[CAS 810](#), *Engagements to Report on Summary Financial Statements*.

Editorial changes have been made to other standards as a result of issuing the new and revised auditor reporting standards.

The new and revised auditor reporting standards are effective for audits of financial statements for periods ending on or after December 15, 2018. Earlier application is permitted.

[CAS 720](#), The Auditor's Responsibilities Relating to Other Information

This standard has been revised to specify the responsibilities of the auditor relating to other information, whether financial or non-financial information (other than financial statements and the auditor's report thereon), included in an entity's annual report.

Editorial changes have been made to other standards as a result of issuing [CAS 720](#).

[CAS 720](#) is effective for audits of financial statements for periods ending on or after December 15, 2018. Earlier application is permitted.

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