

CICA Handbook – Assurance

highlight summary no. 4

May 2011

(Note: New Handbook material or changes in existing material are identified in the Record of Changes.)

MAY 2011 UPDATE

Handbook Restructuring

The Handbook has been restructured as follows:

- Assurance Handbook (previously Assurance Handbook – Part I)
- Assurance Handbook Prior to the Issuance of CASs (previously Assurance Handbook – Part II)

The standards in the Assurance Handbook apply to all engagements other than audits of financial statements for periods ending before December 14, 2010.

The Assurance Handbook Prior to the Issuance of CASs (Canadian Auditing Standards) has been retained, on a temporary basis, to assist auditors performing audits of financial statements for periods ending before December 14, 2010. Practitioners performing other engagements should refer to the Assurance Handbook. The Assurance Handbook Prior to the Issuance of CASs will be withdrawn at a date to be determined by the Auditing and Assurance Standards Board.

For reference purposes, the following two new segments have been created:

- Recently Replaced Pronouncements Still in Effect to give Handbook users who may not wish to adopt a pronouncement early continued access to the pronouncement being replaced; and
- a Record of Changes to identify new Handbook material or changes in existing material.

Section 7050, Auditor Review of Interim Financial Statements

Illustrative management representation letters in Examples D and E have been amended to conform to CAS [580](#), *Written Representations*.

Section 7200, Auditor Assistance to Underwriters and Others

Question 7 in [Example N](#) has been renumbered as Question 23 and Questions 8-23 have been renumbered as Questions 7-22.

The response considerations to former Question 19 (now Question 18) have been amended to delete the reference to the auditor not being required to assess the preferability of an accounting principle or method when acceptable alternatives exist.

Recently Replaced Pronouncements Still in Effect

In August 2010, CSAE 3416, *Reporting on Controls at a Service Organization*, was issued to replace AUDITOR'S REPORT ON CONTROLS AT A SERVICE ORGANIZATION, Section 5970. To give Handbook users continued access to Section 5970 (i.e., for engagements before the effective date of CSAE 3416), Section 5970 has been refiled under "Recently Replaced Pronouncements Still in Effect." (Section 5970 will be withdrawn after sufficient time has elapsed to allow practitioners to complete their engagements.)

DECEMBER 2010 UPDATE

Limited Scope Revisions to Certain Standards for Assurance Engagements

Amendments were made to Handbook material to make concepts related to the dating of the practitioner's reports on assurance engagements, and matters affected by such dating, consistent, where practicable, with the Canadian Auditing Standards. The effective date of these amendments is for assurance engagements the subject matter of which covers periods ending on or after December 14, 2010.

The following Handbook material was amended to reflect that engagement quality control reviews for all assurance engagements are to be completed on or before the date of the practitioner's report:

- the *Preface to the CICA Handbook – Assurance*, [Appendix 3](#);
- CSQC 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements*, paragraphs [C12\(d\)](#), [36](#), [42\(b\)](#), [44\(b\)](#) and [A42](#); and
- QUALITY CONTROL PROCEDURES FOR ASSURANCE ENGAGEMENTS OTHER THAN AUDITS OF FINANCIAL STATEMENTS AND OTHER HISTORICAL FINANCIAL INFORMATION, paragraphs 5030.32, 5030.40, 5030.42 and 5030.43(c).

The following Handbook material was amended to reflect that a practitioner's report would be dated no earlier than the date on which the practitioner has obtained sufficient appropriate evidence on which to base the report:

- STANDARDS FOR ASSURANCE ENGAGEMENTS OTHER THAN AUDITS OF FINANCIAL STATEMENTS AND OTHER HISTORICAL FINANCIAL INFORMATION, paragraph 5025.70;
- AUDITOR'S REPORT ON CONTROLS AT A SERVICE ORGANIZATION, Section 5970, footnotes 9 and 12;
- ASSURANCE AND RELATED SERVICES GUIDELINE AuG-6, Examination of a Financial Forecast or Projection Included in a Prospectus or Other Public Offering Document, paragraph [41](#); and
- ASSURANCE AND RELATED SERVICES GUIDELINE AuG-16, Compilation of a Financial Forecast or Projection, paragraph [20](#).

AuG-10, Legislative Requirements to Report on the Consistent Application of Generally Accepted Accounting Principles

Withdrawn and replaced by [AuG-48](#).

AuG-47, Dating the Review Engagement Report on Financial Statements

This new Assurance and Related Services Guideline provides guidance to financial statement preparers (clients) and practitioners that explains why the public accountant would not date his or her review engagement report on financial statements before he or she has:

- obtained management's verbal representations regarding its responsibility for the fair presentation of the financial statements and its belief that the financial statements are complete and presented fairly; and
- performed sufficient procedures to support the content of his or her report.

AuG-47 is effective for reviews of financial statements for periods ending on or after December 14, 2010.

[AuG-48](#), Legislative Requirements to Report on the Consistent Application of Accounting Principles in the Applicable Financial Reporting Framework

This new Assurance and Related Services Guideline provides guidance on the application of Canadian Auditing Standard (CAS) [700](#), *Forming an Opinion and Reporting on Financial Statements*, in the particular situation when federal or provincial legislation (including regulations thereto) states that the auditor's report shall contain a statement whether the financial statements are prepared in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

AuG-48 is effective for reports on audits of financial statements for periods ending on or after December 14, 2010.

Terms and Conditions and Privacy Policy

Help desk: Mon-Fri, 9am-5pm ET 1-866-256-6842 [Contact Us](#) [Quick Reference Guide](#)

© 2001-2025, Knotia Canada Limited Partnership All rights reserved.