

## Canadian Auditing Standards

### **BASIS FOR CONCLUSIONS CAS 200, 210, 240, 260, 300, 315, 320, 330, 450 and 700 Addressing Disclosures in the Audit of Financial Statements**

**June 2017**

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 the following Canadian Auditing Standards:

- [CAS 200](#), *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Canadian Auditing Standards*;
- [CAS 210](#), *Agreeing the Terms of Audit Engagements*;
- [CAS 240](#), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*;
- [CAS 260](#), *Communication with Those Charged with Governance*;
- [CAS 300](#), *Planning an Audit of Financial Statements*;
- [CAS 315](#), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*;
- [CAS 320](#), *Materiality in Planning and Performing an Audit*;
- [CAS 330](#), *The Auditor's Responses to Assessed Risks*;
- [CAS 450](#), *Evaluation of Misstatements Identified during the Audit*; and
- [CAS 700](#), *Forming an Opinion and Reporting on Financial Statements*.

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

This Basis for Conclusions has been prepared to make Canadian stakeholders aware of the following:

- (a) A Basis for Conclusions prepared by IAASB staff, "Addressing Disclosures in the Audit of Financial Statements," corresponds to the 10 CASs listed above and is available on the IAASB website. It provides information on how the IAASB dealt with comments received on significant matters in response to the Exposure Draft, "Addressing Disclosures in the Audit of Financial Statements" (ED-ISAs Disclosures).
- (b) Information on how the AASB dealt with significant matters arising from comments received in response to its Exposure Draft, "Addressing Disclosures in the Audit of Financial Statements" (ED-CASs Disclosures) and matters particular to Canada. This information is set out below.

#### **Background**

In May 2014, the IAASB issued its ED-ISAs Disclosures proposing changes to 10 ISAs to address the audit implications of disclosures in the audit of financial statements. In March 2015, the IAASB approved the final changes to the 10 ISAs subject to confirmation from the Public Interest Oversight Board that due process was followed. This confirmation was received on June 26, 2015.

In June 2014, the AASB issued its ED-CASs Disclosures proposing to adopt as revisions to the CASs the proposed changes to the 10 ISAs. There was no respondent to the ED-CASs Disclosures (identified below).

The AASB concluded that there were no significant changes between the final changes to the CASs resulting from this project and those proposed in ED-CASs Disclosures and, in particular, there were no new matters identified that resulted in a need to consider a Canadian amendment to IAASB wording. In September 2015, the AASB approved the final changes to the 10 CASs. In April 2017, the AASOC confirmed that the AASB followed due process and, subsequently, the revisions to the CASs were issued.

#### **Significant Matters**

##### **AASB's Consideration of Amendments to ISA Wording**

1. The changes to the 10 CASs contain no amendment to the ISA wording. This is consistent with the position taken by the AASB in ED-CASs Disclosures. No respondent requested an amendment to IAASB wording.

##### **Other Matters**

###### *Effective Date*

2. The AASB considered issues relating to the effective date of the changes to the 10 CASs. The Board considered that the date should be the same as the effective date of the CASs resulting from its project on new auditor reporting standards. The effective date of the changes is for financial statement periods ending on or after December 15, 2018.
3. Because the changes to the ISAs are effective for financial statement periods ending on or after December 15, 2016, auditors performing audits of financial statements in accordance with the CASs for the periods ending on or after

December 15, 2016, should not represent compliance with the ISAs unless they have also complied with the requirements in the respective ISAs.

**List of Respondents to ED-CASs Disclosures**

Deloitte LLP

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