

CPA Canada Handbook – Assurance

highlight summary no. 27

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

[Appendix 2](#) of the *Preface* has been revised to reflect a change to the scope under which auditors are required to communicate key audit matters in accordance with [CAS 701](#), *Communicating Key Audit Matters in the Independent Auditor's Report*. The revised [Preface](#) is effective as of December 1, 2019.

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

Paragraph [C30](#) was revised to require the communication of key audit matters for audits of complete sets of general purpose financial statements of listed entities, excluding listed entities required to comply with National Instrument (NI) 81-106, *Investment Fund Continuous Disclosure*. Previously this requirement was limited to entities listed on the Toronto Stock Exchange (TSX). It was expanded to include other listed entities to maintain consistency with the International Standards on Auditing, increase transparency of financial reporting and enhance communications with management and the audit committee.

Paragraph [C40C\(c\)](#) was revised to reflect the revision to paragraph [C30](#).

Paragraph [C5A](#) was amended to include the nature of the entities required to communicate key audit matters and the effective date as follows:

- Entities listed on the Toronto Stock Exchange, excluding listed entities required to comply with National Instrument 81-106, *Investment Fund Continuous Disclosure*, for periods ending on or after December 15, 2020.
- Other listed entities, excluding listed entities required to comply with NI 81-106 for periods ending on or after December 15, 2022.

Earlier application is permitted.

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

As a result of the changes to [CAS 700](#), paragraph [C6](#) of CAS 701 was revised to clearly set out the nature of the entities required to communicate key audit matters and the effective date. This amendment was made to clarify the effective date and scope of the requirements in CAS 701. Paragraph C6 indicates that CAS 701 is effective for audits of financial statements of:

- Entities listed on the TSX, excluding listed entities required to comply with NI 81-106 for periods ending on or after December 15, 2020.
- Other listed entities, excluding listed entities required to comply with NI 81-106 for periods ending on or after December 15, 2022.
- All entities for periods ending on or after December 15, 2018 when:
 - o The auditor decides to communicate key audit matters in the auditor's report; or
 - o The auditor is required by law or regulation to communicate key audit matters in the auditor's report.

Editorial changes have been made to other standards as a result of the revisions made to [CAS 700](#) and [CAS 701](#).

[Archived Pronouncements](#)

To give Handbook users continued access to the superseded paragraphs, the previous wording is retained in Archived Pronouncements.