

CICA handbook – assurance highlight summary no. 21 December 2004

HIGHLIGHT SUMMARY

(Note: New Handbook material or changes in existing material are identified in each HANDBOOK REVISIONS RELEASE.)

Auditor involvement with offering documents of public and private entities, Section 7110

This Section has been revised to add an Appendix containing illustrations of an auditor's engagement letter for the issuance of a comfort letter to an underwriter and attendance at a due diligence meeting, and a letter to the issuer disclaiming any responsibility with respect to a securities issue when the auditor has not been engaged to perform the required procedures.

Auditor assistance to underwriters and others, Section 7200

This Section has been reorganized to make the guidance easier to use by presenting general comments on auditor assistance, followed by more specific guidance concerning comfort letters and due diligence meetings.

Guidance has been added to deal with circumstances where the auditor is asked to attend a due diligence meeting when the offering is made without an offering document being required or prepared. An auditor may provide assistance to underwriters or others only when engaged to perform a subsequent events review, a review of unaudited interim financial statements, and other specified procedures. When the auditor has been engaged to perform but has not completed such procedures, the auditor should state clearly, before responding to questions at the meeting, that he or she has not completed the appropriate procedures, and that the responses given are subject to change.

References to the auditor's objectivity have been replaced with a reference to the auditor's independence, in recognition of recent changes in the rules of professional conduct / code of ethics of the provincial institutes / ordre.

Five new illustrative examples have been added to the Appendix, and several existing examples have been amended.

Changes are effective for comfort letters issued, and for due diligence meetings held, on or after March 1, 2005.

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