

## CPA Canada Handbook – Assurance

### highlight summary no. 18

### March 2017

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

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

The [Preface](#) has been revised to include new segments regarding:

- the effective dates of certain adopted standards; and
- the removal of references to an ISA that has not been adopted as a CAS.

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

#### [CAS 250, Consideration of Laws and Regulations in an Audit of Financial Statements](#)

This Canadian Auditing Standard (CAS) revises and replaces existing CAS 250. It incorporates changes to address actual or perceived inconsistencies in the approach to identifying and responding to instances of identified or suspected non-compliance with laws and regulations between the standard and relevant ethical requirements. Revised [CAS 250](#):

- aligns aspects of the standard to the International Ethics Standards Board for Accountants' revised *Code of Ethics for Professional Accountants*, particularly the definition of non-compliance and the examples of laws and regulations within the scope of [CAS 250](#);
- clarifies the requirement regarding the auditor's determination of whether to report identified or suspected non-compliance with laws and regulations to an appropriate authority outside the entity and the auditor's duty of confidentiality, in order to recognize the different provisions of laws, regulations or relevant ethical requirements;
- highlights that the auditor may have additional responsibilities under law, regulation or relevant ethical requirements, including possible documentation requirements and communicating to other auditors;
- enhances the consideration of the implications of non-compliance with laws and regulations on the audit; and
- emphasizes the fact that, in certain cases, communication with management or those charged with governance may be restricted or prohibited by law or regulation).

Revised [CAS 250](#) is effective for audits of financial statements for periods ending on or after December 15, 2018.

As a result of issuing revised [CAS 250](#), requirements in the following standards have been amended to more clearly articulate that auditor's responsibilities regarding identified or suspected non-compliance with laws and regulations:

- CAS 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*, paragraphs [41-44](#);
- CAS 450, *Evaluation of Misstatements Identified during the Audit*, paragraph [8](#);
- CSRE 2400, *Engagements to Review Historical Financial Statements*, paragraph [51](#); and
- CSAE 3410, *Assurance Engagement on Greenhouse Gas Statements*, paragraph 78.

Editorial changes have been made to other standards as a consequence of the revisions to [CAS 250](#).

#### **Recently Replaced Pronouncements Still in Effect**

To give Handbook users continued access to former CAS 250, this standard has been refiled under "Recently Replaced Pronouncements Still in Effect."