

## CPA Canada handbook – assurance highlight summary no. 39 December 2022

### **Changes to Illustrative Engagement Letters, Auditor's Reports and Practitioner's Reports resulting from changes to International Accounting Standard (IAS) 1, *Presentation of Financial Statements***

In February 2021, the International Accounting Standards Board revised IAS 1, *Presentation of Financial Statements*, to require entities to disclose material accounting policy information rather than significant accounting policies. In June 2021, the Accounting Standards Board endorsed these amendments. As a result, the following illustrative engagement letters, auditor's reports and practitioner's reports that demonstrate the language the practitioner would use when the entity complies with International Financial Reporting Standards have been revised:

- Canadian Assurance Standard (CAS) 210, *Agreeing the Terms of Audit Engagements*, Appendix [1](#);
- CAS 510, *Initial Audit Engagements – Opening Balances*, Appendix, Illustrations [1-2](#);
- CAS 570, *Going Concern*, Appendix, Illustrations [1-3](#);
- CAS 600, *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*, Appendix [1](#);
- CAS 700, *Forming an Opinion and Reporting on Financial Statements*, Appendix [C1](#), Illustrations [1-3](#);
- CAS 705, *Modifications to the Opinion in the Independent Auditor's Report*, Appendix, Illustrations [1-5](#);
- CAS 706, *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*, Appendix [3](#) and Appendix [4](#);
- CAS 710, *Comparative Information – Corresponding Figures and Comparative Financial Statements*, Appendix, Illustrations [1-4](#);
- CAS 720, *The Auditor's Responsibilities Relating to Other Information*, Appendix [C2](#), Illustrations [1-7](#); and
- Canadian Standard on Review Engagements 2400, *Engagements to Review Historical Financial Statements*, Appendix [3](#), Illustration [5](#).

These changes apply to audits and reviews of financial statements prepared in accordance with IFRS Accounting Standards, including the amendments to IAS 1 *Presentation of Financial Statements* which are effective for annual reporting periods beginning on or after January 1, 2023.

#### [Archived Pronouncements](#)

To give Handbook readers continued access to superseded illustrations, the [Archived Pronouncements](#) set out the wording of those illustrations. The archived material will be withdrawn from the Handbook when it is no longer effective.

---

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.