

CICA handbook accounting and auditing revisions release no. 91

March 1997

ACCOUNTING RECOMMENDATIONS

Accounts and notes receivable, paragraph 3020.01

Amended to add a cross-reference to new Section 4460.

Long-term investments, paragraph 3050.34

Amended to add a cross-reference to new Section 4460.

Contractual obligations, paragraph 3280.01

Amended to add a cross-reference to new Section 4460.

Contingencies, paragraph 3290.01

Amended to add a cross-reference to new Section 4460.

Financial instruments — disclosure and presentation, paragraph 3860.96

Modified so that enterprises that are not public enterprises may defer application of the Recommendations in paragraphs 3860.18, 3860.24 and 3860.31 until fiscal years beginning on or after January 1, 1997. The wording of former paragraph 3860.96 was:

- .96 ◆ *All entities except life insurance enterprises should apply the Recommendations in this Section for fiscal years beginning on or after January 1, 1996. However, co-operative organizations may defer application of the Recommendations in paragraphs 3860.18, 3860.24 and 3860.31 until fiscal years beginning on or after January 1, 1997. The Recommendations in this Section should be applied retroactively.* [JAN. 1996 *]

Non-profit organizations — specific items, Section 4230

Footnote 1 has been replaced by note discussing application of Recommendations. Existing footnote 2 has been renumbered.

Non-profit organizations — related party transactions, disclosure considerations, Section 4231

Note discussing application of Recommendations has been added.

Introduction to accounting recommendations that apply to not-for-profit organizations

Note regarding effective date has been added.

Disclosure of related party transactions by not-for-profit organizations, Section 4460 [APRIL 1997]

New.

ACCOUNTING GUIDELINES

Actuarial liabilities of life insurance enterprises — disclosure (AcG-8)

Issued.

Financial reporting by life insurance enterprises (AcG-9)

Issued.

EIC ABSTRACTS

Pension surplus recognition (EIC-1)

Appendix added on November 27, 1996.

Presentation of members' shares in a co-operative organization as liabilities or equity (EIC-72)

Revision to "Basis of Application" section on November 27, 1996.

Fair value of shares issued as consideration in a purchase business combination (EIC-76)

Issued on November 27, 1996.

Application of CICA 3840 to a transaction involving the issuance of non-voting participating shares issued to an unrelated party (EIC-77)

Issued on November 27, 1996.

ASSURANCE RECOMMENDATIONS

Introduction to Assurance and Related Services Recommendations

This Introduction to Auditing and Related Services Recommendations has been re-named to reflect terminology in Section 5025.

A new paragraph 1 describes the standards a practitioner should follow when performing an assurance engagement. Former paragraphs 1-4 have been renumbered 2-5.

Former paragraphs 1 and 2 have been amended to reflect terminology in Section 5025 and the structure of Assurance and Related Services Sections as set out in new Introduction to Assurance and Related Services.

In former paragraph 1, the sentence reading "The general and examination standards of Section 5100 may also apply to other types of audit engagements." has been deleted because Section 5025 would now apply to such engagements.

References in former paragraph 3 have been changed to 'insignificant matters' and 'significance' from 'immaterial matters' and 'materiality' to reflect terminology in Section 5025. A footnote describing this change states that materiality and significance are synonymous concepts and that both terms are used in the Assurance and Related Services Recommendations.

Introduction to assurance and related services

New.

Audit of financial statements, an introduction, Section 5000

This Section has been moved to Section 5090 to conform with the structure of Assurance and Related Services Sections as set out in the Introduction to Assurance and Related Services.

Association, Section 5020

Appendix B has been updated to include information that is the subject of an assurance engagement as an additional type of information with which a practitioner can be associated.

Standards for assurance engagements, Section 5025 [APRIL 1997]

New.

Using the work of internal audit, Section 5050

This Section contains the material formerly included in Section 5230.

References in paragraphs 5050.11, .19, .22, .24 and .31 and throughout the Section have been changed to 'practitioner' from 'external auditor' to reflect the terminology adopted in Section 5025. The reference in paragraph 5050.24 has been changed to "Assurance Recommendations" from "Auditing Recommendations" to reflect terminology adopted in Section 5025.

Audit of financial statements, an introduction, Section 5090

This Section contains the material formerly included in Section 5000.

Reference in paragraph 5090.04 has been changed to "high though not absolute assurance" from "reasonable assurance" to reflect terminology in Section 5025. Since the phrase "reasonable assurance" continues to be used in other Sections, "hereinafter referred to as reasonable assurance" has been added.

Generally accepted auditing standards, paragraph 5100.03

Sentence reading "the general and examination standards are also applicable to other types of audit engagements" has been deleted because Section 5025 would now apply to such engagements.

Using the work of internal audit, Section 5230

This Section has been moved to Section 5050 to conform with structure of Assurance and Related Services Sections as set out in the Introduction to Assurance and Related Services.

Special reports — introduction, Section 5800

Section has been amended to reflect the structure of Assurance and Related Services Sections as set out in the Introduction to Assurance and Related Services. Guidance provided in paragraph 5800.01(b) on reporting results of applying specified auditing procedures to financial information other than financial statements has been removed and replaced by a reference to new Section 9100. Former paragraph 5800.01(c) has been renumbered 5800.01(b).

Reference in paragraphs 5800.06 and .08 to "public accountant" has been removed. This term was included to describe practitioner carrying out an engagement in accordance with former Section 5810. In restructuring Section 5810 and renumbering it Section 9100, no guidance for public accountants remains in the Special Reports Sections.

Special reports — reports on the results of applying specified auditing procedures to financial information other than financial statements, Section 5810

This Section has been moved to Section 9100 to conform with structure of Assurance and Related Services Sections as set out in the new Introduction to Assurance and Related Services.

Reports on the results of applying specified auditing procedures to financial information other than financial statements, Section 9100

This Section contains material formerly included in Section 5810.

Guidance previously found by cross-reference to Section 5800 is now provided in new paragraphs 9100.02, .03 and .11. Former paragraphs .02-.13 have been renumbered.

ASSURANCE AND RELATED SERVICES GUIDELINES

Introduction to Assurance and Related Services Guidelines

This Introduction to Auditing and Related Services Guidelines has been re-named to reflect terminology in Section 5025.

All revised and new Guidelines issued subsequent to March 1997 will be referred to as Assurance and Related Services Guidelines to conform to the restructuring of the Auditing Recommendations. All unchanged pages will continue to read Auditing and Related Services Recommendations until such times as they are reissued.

Services on matters relating to solvency (AuG-4)

(October 1988) Appendix revised to reflect amendments to the Canada Business Corporations Act.

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