

## CICA handbook accounting and auditing revisions release no. 89

### August 1996

---

#### ACCOUNTING RECOMMENDATIONS

##### **International Accounting Standards, Section 1501**

Updated and supplemented by a new appendix summarizing significant differences between International Accounting Standards and corresponding *CICA Handbook* pronouncements.

#### EIC ABSTRACTS

##### **Patronage allocations (EIC-68)**

Revision to "Basis of Application" on May 16, 1996.

#### AUDITING RECOMMENDATIONS

##### **International Standards on Auditing, Section 5101**

Revises and replaces International Auditing Guidelines, Section 5101. In addition to updating the comparison of International Standards on Auditing (ISAs) to the CICA Handbook, the Section has been expanded to describe areas in an audit performed in accordance with ISAs which may require further consideration to comply with the Handbook.

##### **Audit evidence, paragraphs 5300.26-28**

Order of the paragraphs changed and a few words revised to clarify that confirmation is a type of enquiry.

##### **Confirmation, Section 5303 [SEPT. 1996]**

New.

##### **Accounts and notes receivable, Section 6020**

Withdrawn as a result of the issue of Section 5303.

The following Recommendations formerly appeared in Section 6020:

- .18 ♦ *Generally accepted auditing procedures in respect of accounts and notes receivable should include some form of direct confirmation of accounts and notes receivable by communication with debtors.*
- .19 ♦ *In circumstances where direct confirmation would be impracticable or is deemed to be harmful to the client's business, auditors should substitute other acceptable procedures, as indicated in paragraphs 6020.11 to 6020.15.*
- .20 ♦ *Where the auditors are not satisfied that they have established the validity of the receivables, either by communication with debtors or by adequate alternative procedures, the Recommendations set out in RESERVATIONS IN THE AUDITOR'S REPORT, Section 5510 should be followed. [OCT. 1970]*

#### AUDITING AND RELATED SERVICES GUIDELINES

##### **Canada-United States reporting conflicts (AuG-9) (November 1990)**

Withdrawn as a result of the issue of AuG-21.

##### **Canada-United States reporting differences (AuG-21) (August 1996)**

Revises and replaces AuG-9 to update the guidance to reflect changes in U.S. generally accepted auditing standards.

#### EDP AUDITING GUIDELINES

Introduction to EDP Auditing Guidelines The introduction has been revised to reflect terminology and reference changes resulting from the re-designation and codification of International Auditing Guidelines as International Standards on Auditing and International Auditing Practice Statements.

---

