

CANADIAN AUDITING STANDARDS

CAS 710

comparative information – corresponding figures and comparative financial statements

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving CAS 570, *Going Concern*.

Appendix

(Ref: Para. A5, A7, A10)

Illustration 1 – Corresponding Figures

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a listed entity using a fair presentation framework. The audit is not a group audit (i.e., CAS 600 1 does not apply).
- The financial statements are prepared by management of the entity in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (a general purpose framework).
- The terms of the audit engagement reflect the description of management's responsibility for the financial statements in CAS 210. 2
- The auditor's report on the prior period, as previously issued, included a qualified opinion.
- The matter giving rise to the modification is unresolved.
- The effects or possible effects of the matter on the current period's figures are material and require a modification to the auditor's opinion regarding the current period figures.
- The relevant ethical requirements that apply to the audit are those of Canada.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with CAS 570. 3
- The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with CAS 701.
- The auditor has not obtained any other information prior to the date of the auditor's report.
- Those responsible for oversight of the financial statements differ from those responsible for the preparation of the financial statements.
- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under local law.

Illustration 2 – Corresponding Figures

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a listed entity using a fair presentation framework. The audit is not a group audit (i.e., CAS 600 does not apply).
- The financial statements are prepared by management of the entity in accordance with IFRS Accounting Standards as issued by the IASB (a general purpose framework).
- The terms of the audit engagement reflect the description of management's responsibility for the financial statements in CAS 210.
- The auditor's report on the prior period, as previously issued, included a qualified opinion.
- The matter giving rise to the modification is unresolved.
- The effects or possible effects of the matter on the current period's figures are immaterial but require a modification to the auditor's opinion because of the effects or possible effects of the unresolved matter on the comparability of the current period's figures and the corresponding figures.
- The relevant ethical requirements that apply to the audit are those of Canada.

- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with CAS 570.
- The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with CAS 701.
- The auditor has not obtained any other information prior to the date of the auditor's report.
- Those responsible for oversight of the financial statements differ from those responsible for the preparation of the financial statements.
- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under local law.

Illustration 3 – Corresponding Figures

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a listed entity using a fair presentation framework. The audit is not a group audit (i.e., CAS 600 does not apply).
- The financial statements are prepared by management of the entity in accordance with IFRS Accounting Standards as issued by the IASB (a general purpose framework).
- The terms of the audit engagement reflect the description of management's responsibility for the financial statements in CAS 210.
- The auditor has concluded an unmodified (i.e., "clean") opinion is appropriate based on the audit evidence obtained.
- The relevant ethical requirements that apply to the audit are those of Canada.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with CAS 570.
- The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with CAS 701.
- The auditor has obtained all of the other information prior to the date of the auditor's report and has not identified a material misstatement of the other information.
- Corresponding figures are presented and the prior period's financial statements were audited by a predecessor auditor.
- The auditor is not prohibited by law or regulation from referring to the predecessor auditor's report on the corresponding figures and decides to do so.
- Those responsible for oversight of the financial statements differ from those responsible for the preparation of the financial statements.
- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under local law.

Illustration 4 – Comparative Financial Statements

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- Audit of a complete set of financial statements of an entity other than a listed entity using a fair presentation framework. The audit is not a group audit (i.e., CAS 600 does not apply).
- The financial statements are prepared by management of the entity in accordance with IFRS Accounting Standards as issued by the IASB (a general purpose framework).
- The terms of the audit engagement reflect the description of management's responsibility for the financial statements in CAS 210.
- The auditor is required to report on both the current period financial statements and the prior period financial statements in connection with the current year's audit.
- The auditor's report on the prior period, as previously issued, included a qualified opinion.
- The matter giving rise to the modification is unresolved.
- The effects or possible effects of the matter on the current period's figures are material to both the current period financial statements and prior period financial statements and require a modification to the auditor's opinion.
- The relevant ethical requirements that apply to the audit are those of Canada.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with CAS 570.
- The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with CAS 701.
- The auditor has not obtained any other information prior to the date of the auditor's report.
- Those responsible for oversight of the financial statements differ from those responsible for the preparation of the financial statements.

- In addition to the audit of the financial statements, the auditor has other reporting responsibilities required under local law.

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of revisions to IAS 1 *Presentation of Financial Statements*, which were published in Part 1 of the CPA Canada Handbook – Accounting in June 2021. The revisions require entities to disclose material accounting policy information rather than significant accounting policies.

Appendix

(Ref: Para. A5, A7, A10)

Illustrations of Independent Auditor's Reports

Illustration 1

Qualified Opinion

We have audited the financial statements of ABC Company (the Company), which comprise the statement of financial position as at December 31, 20X1, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Illustration 2

Qualified Opinion

We have audited the financial statements of ABC Company (the Company), which comprise the statement of financial position as at December 31, 20X1, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Illustration 3

Opinion

We have audited the financial statements of ABC Company (the Company), which comprise the statement of financial position as at December 31, 20X1, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Illustration 4

Qualified Opinion

We have audited the financial statements of ABC Company (the Company), which comprise the statements of financial position as at December 31, 20X1 and 20X0, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

Footnotes

1. CAS 600, *Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors)* does not apply).
2. CAS 210, *Agreeing the Terms of Audit Engagements*
3. CAS 570, *Going Concern*

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