

## CICA handbook – assurance revisions release no. 29 July 2007

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### ASSURANCE RECOMMENDATIONS

#### Authority of auditing and assurance standards and other guidance, Section 5021

Amended Appendix B to add one publication.

#### Generally accepted auditing standards, paragraph 5100.02

Amended reporting standard (iv) to remove exception for local governments as a result of withdrawal of Section PS 5200.

Former wording was as follows:

#### Reporting standards

- (iv) *Where an opinion is expressed, it should indicate whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles, except when the financial statements:*
- *are prepared as described in AUDITOR'S REPORT ON FINANCIAL STATEMENTS PREPARED USING A BASIS OF ACCOUNTING OTHER THAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, paragraph 5600.09; or*
  - *are financial statements of a local government required by legislation or regulation to prepare its financial statements in accordance with a disclosed basis of accounting, when the auditor would refer to AUDIT OF LOCAL GOVERNMENT FINANCIAL STATEMENTS, Section PS 5200, for guidance.*
- The report should provide adequate explanation with respect to any reservation contained in such opinion. For entities whose financial statements are prepared in accordance with the CICA Public Sector Accounting Handbook, the auditor's opinion should also indicate whether the financial statements present fairly the changes in the entity's net debt. [JULY 2006 \*\*]*

#### Terms of the engagement, Section 5110

Deleted paragraph 5110.11 and amended Appendix as a result of the withdrawal of Section PS 5200.

#### Communications with actuaries, Section 5365 [OCT. 2007]

Revises and replaces existing Section 5365 and appended Joint Policy Statement to more specifically focus on appropriate methods of communications between actuaries involved in the preparation of financial statements, and auditors.

#### The auditor's standard report, paragraph 5400.02

Deleted second sentence as a result of the withdrawal of Section PS 5200.

#### Auditor's report on financial statements prepared using a basis of accounting other than GAAP, Section 5600

Deleted footnote 1 as a result of the withdrawal of Section PS 5200.

#### Audit of local government financial statements, Section PS 5200

Withdrawn.

The following Recommendation formerly appeared in Section PS 5200:

- .08 ♦ *When the auditor is required to express an opinion on the fair presentation of local government financial statements in accordance with a disclosed basis of accounting, the auditor should express, in his or her report on financial statements, a reservation of opinion on any accounting policies that he or she believes result in misleading financial statements together with the reasons and, when practicable, quantification of the effect on the statements. [JULY 2006]*

