

## BASIS FOR CONCLUSIONS CANADIAN AUDITING STANDARD (CAS) 250, Consideration of Laws and Regulations in an Audit of Financial Statements

March 2017

This Basis for Conclusions has been prepared by staff of the Auditing and Assurance Standards Board (AASB). It relates to, but does not form part of Canadian Auditing Standard (CAS) 250, *Consideration of Laws and Regulations in an Audit of Financial Statements*.

### Purpose of this Basis for Conclusions

This Basis for Conclusions has been prepared to make Canadian stakeholders aware of the following:

- (a) A Basis for Conclusions prepared by International Auditing and Assurance Standards Board (IAASB) staff for International Auditing Standard (ISA) 250 (Revised) is available on the IAASB website and provides information on how the IAASB dealt with comments received on significant matters in response to its Exposure Draft of ISA 250 (ED-ISA 250).
- (b) Information on how the AASB dealt with significant matters arising from comments received in response to its Exposure Draft (ED-CAS 250) and matters particular to Canada. This information is set out below.

### Background

In July 2015, the IAASB issued its ED-ISA 250. In June 2016, the IAASB approved revisions to ISA 250 and conforming amendments to a number of other international standards. In September 2016, the Public Interest Oversight Board (PIOB) confirmed that the IAASB followed due process. ISA 250 (Revised) was then issued.

In August 2015, the AASB issued ED-CAS 250 to adopt revisions to ISA 250 and conforming amendments to a number of other standards.

There was 1 respondent to ED-CAS 250 (identified below).

The AASB concluded that there were no significant changes from a Canadian standpoint between CAS 250 and ED-CAS 250 and, therefore, re-exposure was not required. In October 2016, the AASB approved the revisions CAS 250 and conforming amendments to a number of other Canadian standards. In October 2016, the Auditing and Assurance Standards Oversight Council (AASOC) confirmed that the AASB followed due process. Revised CAS 250 was then issued.

### Significant Matters

#### AASB's Consideration of Amendments to ISA Wording

##### *Effective Date*

1. The effective date of CAS 250 and conforming amendments to a number of other standards differs from that in the ISA 250 (Revised) to facilitate an orderly implementation of the standard in Canada.
2. Other than the amendment noted above, the CAS contains no amendment to the ISA wording.

##### *References to the International Ethics Standards Board for Accountants (IESBA) Code of Ethics*

3. One respondent suggested that the AASB consider whether footnote references to the IESBA Code, which has not been adopted in Canada, warrant Canadian amendments.
4. The AASB concluded that no Canadian amendments should be made regarding this matter. Consistent with the approach taken by the AASB in adopting international standards as Canadian standards, when the IESBA Code is referenced as an alternative or an example no Canadian amendments are made.

### Other Matters

None.

### List of Respondents to ED-CAS 250

Deloitte LLP

