

CPA Canada Handbook – Assurance

The CPA Canada Handbook – Assurance, available at [www.knotia.ca](http://www.knotia.ca), is the authorized version of standards approved by the [Auditing and Assurance Standards Board](#).

Handbook

[Revised to: Update No. 47 \(09/25\)](#)

Notice to Handbook Readers

This Handbook contains references to multiple reporting frameworks, including International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). In 2023, the IFRS Foundation® updated its trademark guidelines, which require that the standards issued by the IASB, including the IASs and IFRSs, be referred to as IFRS Accounting Standards.

Unless otherwise indicated, any reference in this Handbook to IASs or IFRSs is intended to refer to IFRS Accounting Standards.

Preface to the CPA Canada Handbook – Assurance

(Effective as of May 1, 2025)

CONTENTS

[Introduction](#)

[The AASB's Authoritative Pronouncements](#)

[The Authority Attaching to Canadian Standards Issued by the AASB](#)

[Canadian Standards on Quality Management](#)

[Canadian Auditing Standards](#)

[Glossary of Terms](#)

[Other Canadian Standards](#)

[Professional Judgment](#)

[Applicability of the Canadian Standards](#)

[The Authority Attaching to Assurance and Related Services Guidelines Issued by the AASB](#)

Paragraph

1-2

3-4

5-34

14-16

17-21

22

23-34

35

36-37

38-43

<a href="#"><u>Non-authoritative Material</u></a>	44
<a href="#"><u>Canadian Auditing Practice Notes</u></a>	45
<a href="#"><u>Practice Notes Relating to Other Canadian Standards</u></a>	46
<a href="#"><u>Appendix 1: Amendment Criteria Used by the AASB When Adopting ISQMs as CSQMs, ISAs as CAs, ISAEs as CSAEs and ISRSs as CSRSs</u></a>	
<a href="#"><u>Appendix 2: CSQMs, CAs, CSAEs and CSRSs that Include Amendments to ISQMs, ISAs, ISAEs and ISRSs</u></a>	
<a href="#"><u>Appendix 3: Changes to the Wording of ISQMs, ISAs, ISAEs</u></a>	
<a href="#"><u>Appendix 4: Overview of the Assurance Handbook</u></a>	
<a href="#"><u>Appendix 5: Criteria Used by the AASB in Developing Assurance and Related Service Guidelines</u></a>	

## Introduction

1. This *Preface to the CPA Canada Handbook – Assurance* (the Assurance Handbook) is issued to facilitate understanding of the authoritative pronouncements and non-authoritative material the Auditing and Assurance Standards Board (AASB) issues, as set forth in the AASB's Terms of Reference. The AASB's membership and Terms of Reference are approved by the Auditing and Assurance Standards Oversight Council.
2. The AASB is committed to serving the public interest by developing and issuing authoritative pronouncements and non-authoritative material that enable the public accounting profession to provide effective auditing, other assurance and related services. In doing so, it participates in the development of global auditing and assurance standards that meet the needs of Canadian stakeholders.

## The AASB's Authoritative Pronouncements

3. The authoritative pronouncements of the AASB are Canadian standards and Assurance and Related Services Guidelines. Canadian standards comprise:
  - (a) Canadian Standards on Quality Management (CSQMs);
  - (b) Canadian Auditing Standards (CAs); and
  - (c) Other Canadian Standards (OCs).
4. All of the AASB's authoritative pronouncements are issued following the AASB's due process and are contained in the Assurance Handbook. The AASB's authoritative pronouncements relate to audit, review, other assurance and related services engagements that are conducted in accordance with Canadian standards. The authority attaching to Canadian standards (described in paragraphs 5-34) differs from the authority attaching to Assurance and Related Services Guidelines (described in paragraphs 35-40).

## The Authority Attaching to Canadian Standards Issued by the AASB

5. A practitioner should not represent compliance with Canadian standards unless the practitioner has complied fully with all of the Canadian standards relevant to the engagement.
6. CSQMs apply to all firms with respect to their responsibilities for their systems of quality management for audits or reviews of financial statements, or other assurance or related services engagements (Assurance Engagement Standards). The authority of the CSQMs is set out in the Introduction to the CSQMs. The CSQMs are to be read in conjunction with relevant rules of professional conduct / code of ethics. The rules of professional conduct / code of ethics of the CPA profession, for example, require that members engaged in the practice of public accounting perform their professional services in accordance with the generally accepted standards of practice of the profession, including the standards and guidance contained in the CPA Canada Handbooks. While not part of assurance standards (which include Canadian generally accepted auditing standards (GAAS)), the CSQMs form part of generally accepted standards of practice of the profession.
7. CAs are to be applied in the audit of financial statements and other historical financial information.
8. OCs (see paragraph 23) include engagement standards and association standards.

9. Engagement standards are to be applied in engagements other than audits of financial statements and other historical financial information. Such OCSs provide requirements and supporting guidance to practitioners for a variety of engagements, some of which are designed to provide a specific level of assurance. [CSAE 3000](#) and [CSAE 3001](#) 1 provide the general, performance and reporting standards for attestation and direct assurance engagements, respectively, other than for reviews of financial statements and other historical financial information. More specific requirements and supporting guidance are provided in other OCSs for specific types of assurance engagements, such as performance audits. [CSRE 2400](#) 2 provides performance and reporting standards for reviews of financial statements and other historical financial information. OCSs also provide requirements and supporting guidance to practitioners for a number of engagements that are not designed to provide a specific level of assurance, such as an engagement to report on supplementary matters to a third party, a compilation or an agreed-upon procedures engagement.
10. Association standards provide requirements and supporting guidance applicable when a practitioner is associated with information. Association may result irrespective of the type of engagement the practitioner has performed.
11. The CASs constitute GAAS for audits of financial statements and other historical financial information. OCSs that contain standards and guidance for other engagements to provide an audit level of assurance may also describe the engagement as being in accordance with GAAS.
12. The Canadian Standards on Review Engagements (CSREs) constitute generally accepted standards for review engagements for reviews of financial statements and other historical financial information.
13. [Appendix 4](#) provides an overview of which parts of the Assurance Handbook are relevant to each of:
  - (a) Audits of financial statements and other historical financial information;
  - (b) Review engagements (such as reviews of financial statements and other historical financial information, and auditor review of interim financial statements);
  - (c) Assurance engagements other than audits or reviews of financial statements and other historical financial information (such as audits and reviews of non-financial information); and
  - (d) Related services engagements (such as an engagement to report on supplementary matters to a third party, a compilation engagement or an agreed-upon procedures engagement).

## **Canadian Standards on Quality Management**

### *Adoption of International Standards on Quality Management*

14. CSQMs result from the adoption of International Standards on Quality Management (ISQMs), developed and issued by the International Auditing and Assurance Standards Board (IAASB).
15. In adopting ISQMs, the AASB makes changes to the wording of the ISQMs that do not affect how a practitioner performs an audit of financial statements so that the CSQMs can be used in the context of the Assurance Handbook. These changes are set out in [Appendix 3](#).
16. The AASB may make amendments to ISQMs or change the effective date of application of ISQMs in accordance with criteria that the AASB has developed for ensuring that changes to standards are made on an appropriate and consistent basis. Criteria for amending ISQMs when adopting them as CSQMs are set out in [Appendix 1](#). When amendments are made, they are clearly identified in the Assurance Handbook by adding an explanation at the beginning of the standard and by adding the letter C at the start of the amended paragraph or footnote number. New paragraphs or footnotes are also uniquely identified. [Appendix 2](#) lists the CSQMs that include amendments made by the AASB when adopting the respective ISQMs.

## **Canadian Auditing Standards**

### *GAAS for Audits of Financial Statements*

17. Incorporating or other governing legislation in Canada often requires that audits of financial statements be performed in accordance with "generally accepted auditing standards, the primary source of which is the CICA Handbook." Paragraph [11](#) indicates that the CASs constitute GAAS for an audit of financial statements and other historical financial information. Therefore, performing an audit of financial statements in accordance with the CASs complies with such incorporating or other governing legislation.
18. CASs are written in the context of an audit of financial statements 3 by an independent auditor. 4 They are to be adapted as necessary in the circumstances when applied to audits of other historical financial information. The authority of CASs is set out in [CAS 200](#). 5

### *Adoption of International Standards on Auditing*

19. CASs result from the adoption of International Standards on Auditing (ISAs), developed and issued by the IAASB, that are consistent with the *International Framework for Assurance Engagements* and are to be applied in the audit of financial statements and other historical financial information. The AASB makes changes to the wording of the ISAs that do not affect how a practitioner performs an audit of financial statements, so that the CASs can be used in the context of the Assurance Handbook. These changes are set out in [Appendix 3](#).
20. The AASB may make amendments to ISAs that do affect how a practitioner performs an audit of financial statements or change the effective date of application of ISAs, in accordance with criteria that the AASB has developed for ensuring that changes to standards are made on an appropriate and consistent basis. Criteria for amending ISAs when adopting them as CASs are set out in [Appendix 1](#). When amendments are made, they are clearly identified in the Assurance Handbook by adding an explanation at the beginning of the standard and by adding the letter C at the start of the amended paragraph or footnote number. New paragraphs or footnotes are also uniquely identified. [Appendix 2](#) lists the CASs that include amendments made by the AASB when adopting the respective ISAs.

#### *Compliance with ISAs*

21. In some circumstances, an auditor performing an audit in accordance with the CASs may also wish to represent compliance with the ISAs. The CASs contain the ISAs issued by the IAASB together with any amendments made by the AASB in accordance with the criteria set out in [Appendix 1](#). Compliance with the CASs relevant to the engagement will not necessarily result in compliance with the ISAs relevant to the engagement. [Appendix 2](#) provides, for each amendment that has been made when adopting ISAs, its effect on the ability of the practitioner performing an audit of financial statements in accordance with the CASs to also comply with the ISAs.

#### **Glossary of Terms**

22. The Glossary of Terms in the Assurance Handbook contains a complete listing of terms defined in the CSQMs, the CASs, the CSREs and [CSRS 4200](#). [7](#) It also includes descriptions of other terms found in the CSQMs, the CASs, the CSREs and CSRS 4200 to assist in common and consistent interpretation. The Glossary of Terms is only applicable to the CSQMs, the CASs, the CSREs and CSRS 4200. It is not applicable to the other OCSs.

#### **Other Canadian Standards**

23. Some OCSs contain objectives, requirements, application and other explanatory material, and introductory material and definitions. These terms are to be interpreted in the context of these standards in the same way as the terms are to be interpreted in the context of CASs and financial statement audits, as explained in [CAS 200](#). Other OCSs do not contain these terms. The authority of the terms used in these other OCSs is set out in Section [5021](#). [8](#) Section 5021 applies to all OCSs irrespective of the terms used in the OCS.
24. The effective date of requirements is stated clearly in an effective date paragraph in the standard. In Sections, unless otherwise indicated, Recommendations are effective with respect to financial statements and financial reports relating to years commencing on or after the first of the month noted beside the Recommendation. A Recommendation being amended remains in force until the effective date of the amended Recommendation.

#### *Canadian Standards on Association*

25. OCSs include Canadian Standards on Association (CSOA) developed by the AASB.

#### *Canadian Standards on Assurance Engagements*

26. OCSs include Canadian Standards on Assurance Engagements (CSAEs) developed by the AASB. In some cases, a CSAE is adopted by the AASB from an International Standard on Assurance Engagements (ISAE) developed and issued by the IAASB.
27. When adopting ISAEs as CSAEs, the AASB makes changes to the wording of the ISAEs that do not affect how a practitioner performs the assurance engagement, so that the CSAEs can be used in the context of the Assurance Handbook. These changes are set out in [Appendix 3](#).
28. The AASB may make amendments to ISAEs or change the effective date of application of ISAEs in accordance with criteria that the AASB has developed for ensuring that changes to standards are made on an appropriate and consistent basis. Criteria for amending ISAEs when adopting them as CSAEs are set out in [Appendix 1](#). When amendments are made, they are clearly identified in the Assurance Handbook by adding an explanation at the beginning of the standard and by adding the letter C at the start of the amended paragraph or footnote number. New paragraphs or footnotes are also uniquely identified. [Appendix 2](#) lists the CSAEs that include amendments made by the AASB when adopting the respective ISAEs.

#### *Compliance with ISAEs*

29. In some circumstances, a practitioner performing an engagement in accordance with CSAEs may also wish to represent compliance with ISAEs. CSAEs include certain ISAEs issued by the IAASB together with any amendments made by the AASB in accordance with the criteria set out in [Appendix 1](#). Compliance with the CSAEs relevant to the engagement will not necessarily result in compliance with the ISAEs relevant to the engagement. [9](#) [Appendix 2](#) provides, for each amendment that has been made when adopting ISAEs, its effect on the ability of the practitioner performing an engagement other than an audit or review of historical financial information in accordance with CSAEs to also comply with ISAEs.

#### *Canadian Standards on Review Engagements*

30. OCSs include CSREs developed by the AASB.

#### *Canadian Standards on Related Services*

31. OCSs include Canadian Standards on Related Services (CSRSs) developed by the AASB. In some cases, a CSRS is adopted by the AASB from an International Standard on Related Services (ISRS) developed and issued by the IAASB.
32. When adopting ISRSs as CSRSs, the AASB makes changes to the wording of the ISRSs that do not affect how a practitioner performs the related services engagement, so that the CSRSs can be used in the context of the Assurance Handbook. These changes are set out in [Appendix 3](#).
33. The AASB may make amendments to ISRSs or change the effective date of application of ISRSs in accordance with criteria that the AASB has developed for ensuring that changes to standards are made on an appropriate and consistent basis. Criteria for amending ISRSs when adopting them as CSRSs are set out in [Appendix 1](#). When amendments are made, they are clearly identified in the Assurance Handbook by adding an explanation at the beginning of the standard and by adding the letter C at the start of the amended paragraph or footnote number. New paragraphs or footnotes are also uniquely identified. [Appendix 2](#) lists the CSRSs that include amendments made by the AASB when adopting the respective ISRSs.

#### *Compliance with ISRSs*

34. In some circumstances, a practitioner performing an engagement in accordance with CSRSs may also wish to represent compliance with ISRSs. CSRSs include certain ISRSs issued by the IAASB together with any amendments made by the AASB in accordance with the criteria set out in [Appendix 1](#). Compliance with the CSRSs relevant to the engagement will not necessarily result in compliance with the ISRSs relevant to the engagement. [Appendix 2](#) provides, for each amendment that has been made when adopting ISRSs, its effect on the ability of the practitioner performing a related services engagement in accordance with CSRSs to also comply with ISRSs.

#### **Professional Judgment**

35. The nature of the Canadian standards requires the practitioner to exercise professional judgment in applying them.

#### **Applicability of the Canadian Standards**

36. The scope, effective date and any specific limitation of the applicability of a specific Canadian standard is made clear in the standard. Unless otherwise stated in the Canadian standard, the practitioner is permitted to apply a Canadian standard before the effective date specified therein.
37. Canadian standards are intended to apply to engagements related to all types of entities, both profit-oriented and not-for-profit, in both the private and public sectors, 10 unless specifically limited in individual standards.

#### **The Authority Attaching to Assurance and Related Services Guidelines Issued by the AASB**

38. The AASB publishes Guidelines as the need arises from time to time. These Guidelines are issued to address an urgent issue or a unique Canadian circumstance where the AASB concludes that changing application or other explanatory material in one or more standards would not be the most appropriate approach. Criteria for developing a Guideline are set out in [Appendix 5](#).
39. Guidelines have the same status and authority as application and other explanatory material in the standards. Guidelines do not impose requirements (or Recommendations, as appropriate). The AASB issues Guidelines to assist practitioners in the proper application of standards.
40. Guidelines may be withdrawn for various reasons such as:
- (a) Changes in legislation;
  - (b) The material no longer is useful because a requirement (or Recommendation, as appropriate) has been issued; or
  - (c) The material is out of date.
41. A practitioner is responsible for having an understanding of the entire text of a Guideline relevant to the engagement, to more fully understand and assist with the application of the requirements (or Recommendations, as appropriate) in any standard to which the Guideline relates.
42. Unless otherwise indicated, Guidelines are effective as of the first day of the month of issue.
43. On the initial adoption of ISAs as CASs, cross-references and terminology in certain Guidelines have been amended to reflect the withdrawal of Sections of the Assurance Handbook that applied to audits of financial statements and other historical financial information. These amendments do not alter the substance of the Guidelines.

## Non-authoritative Material

44. Non-authoritative material is not part of the CSQMs, CASSs or OCSs and do not impose additional requirements on practitioners beyond those included in the CSQMs, CASSs or OCSs, nor does it change the practitioner's responsibility to comply with all CSQMs, CASSs or OCSs relevant to the audit. Non-authoritative material includes Canadian Auditing Practice Notes (CAPNs) issued by the AASB and staff publications and may be published on the AASB website and/or in the CPA Canada Standards and Guidance Collection. Non-authoritative material provides practical assistance to practitioners. Non-authoritative material also provides material that firms can use in developing their training programs and internal guidance. Staff publications, which do not form part of the CSQMs, CASSs or OCSs, are used to help raise practitioners' awareness of significant new or emerging issues by referring to existing requirements and application material, or to direct their attention to relevant provisions of AASB pronouncements.

## Canadian Auditing Practice Notes

45. Depending on the nature of the topic(s) covered, a Canadian Auditing Practice Note (CAPN) may assist the auditor in:
- (a) obtaining an understanding of the circumstances of the entity, and in making judgments about the identification and assessment of risks of material misstatement;
  - (b) making judgments about how to respond to assessed risks, including selection of procedures that may be appropriate in the circumstances; or
  - (c) addressing reporting considerations, including forming an opinion on the financial statements and communicating with those charged with governance.

## Practice Notes Relating to Other Canadian Standards

46. The AASB may also issue Canadian Review Engagement Practice Notes (CREPNs), Canadian Assurance Engagement Practice Notes (CAEPNs), and Canadian Related Services Practice Notes (CRSPNs) to serve the same purpose for OCSs.

## Appendix 1

(Ref: Para. [16](#), [20-21](#), [28](#), [33-34](#))

## Amendment Criteria Used by the AASB When Adopting ISQMs as CSQMs, ISAs as CASSs, ISAEs as CSAEs and ISRSs as CSRSs

With respect to the adoption of International Standards on Auditing (ISAs) 1 as Canadian Auditing Standards (CASSs), and the adoption of an International Standard on Assurance Engagements (ISAE) as a Canadian Standard on Assurance Engagement (CSAE) and International Standard on Related Services (ISRS) as a Canadian Standard on Related Services (CSRS), on a case-by-case basis, the Auditing and Assurance Standards Board's (AASB) overriding goal is to adopt ISAs into the Assurance Handbook without amendment. However, there may be circumstances where amendments are required. The following sets out the limited circumstances when the AASB will make amendments to ISAs:

1. The AASB will limit additions to an ISA to those required to comply with Canadian legal and regulatory requirements. 2
2. The AASB will limit deletions from, or other amendments to, an ISA to the following:
  - (a) The elimination of options (alternatives) provided for in the ISA.
  - (b) Requirements or guidance, the application of which Canadian law or regulation<sup>2</sup> does not permit, or which require amendment to be consistent with law or regulation.
  - (c) Requirements or guidance, where the ISA recognizes that different practices may apply in different jurisdictions and Canada is such a jurisdiction.
3. The AASB may make amendments to an ISA with respect to requirements or guidance that do not fall within 1 or 2 above when it believes that there are circumstances particular to the Canadian environment where such amendments are required to serve the Canadian public interest and maintain the quality of auditing and reporting in Canada.
4. To the extent possible, amendments that are:
  - (a) Additions to an ISA will not be inconsistent with the current requirements or guidance in the ISA; and
  - (b) Deletions from, or other amendments to, an ISA will be replaced by an appropriate alternative that achieves the objective of the deleted requirement.

Proposed amendments to an ISA will be highlighted in exposure drafts of proposed Canadian standards. The AASB will indicate the reasoning for the amendments and respondents will be invited to comment on them, including when the amendment will not result in convergence with the ISA in accordance with the International Auditing and Assurance Standards Board's guide for national standard setters. Amendments to ISAs will be separately identified in the final Assurance Handbook material.

## Appendix 2

(Ref: Para. [16](#), [20-21](#), [28](#), [33-34](#))

## CSQMs, CASSs, CSAEs and CSRSs that Include Amendments to ISQMs, ISAs, ISAEs and ISRSs

This appendix lists the amendments that have been made when adopting International Standards on Quality Management (ISQMs), International Standards on Auditing (ISAs), International Standards on Assurance Engagements (ISAEs) and International Standards on Related Services (ISRSs). It provides the nature of, the Auditing and Assurance Standards Board's (AASB) reasons for and the effect, if any, of each amendment with respect to the ability of a practitioner performing:

- an audit of financial statements in accordance with the Canadian Auditing Standards (CASs) to also comply with the ISAs;
- an assurance engagement (other than an audit of financial statements or other historical financial information) in accordance with the Canadian Standards on Assurance Engagements (CSAEs) to also comply with the ISAEs; or
- a related services engagement in accordance with the Canadian Standards on Related Services (CSRSs) to also comply with the ISRSs.

The appendix also includes a table that summarizes the Canadian Standards on Quality Management (CSQMs), the CASs, the CSAEs and the CSRSs, and the related paragraphs and footnotes that contain amendments.

#### *Effect on compliance with ISAs*

This amendment does not affect the ability of a practitioner performing an audit of financial statements in accordance with the CASs to comply with the ISAs.

### **1. References to the IESBA Code**

#### *Amendment*

References in the ISQMs, ISAs, ISAEs and ISRSs to relevant ethical requirements that ordinarily comprise the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, the "IESBA Code," together with national requirements that are more restrictive, are replaced by references to relevant independence and other ethical requirements set out in the rules of professional conduct / code of ethics applicable to the practice of public accounting issued by various professional accounting bodies. Where appropriate, references to the IESBA Code have been replaced by references to "relevant ethical requirements." When the IESBA Code is referenced as an alternative or an example in a CSQM, CAS, CSAE or CSRS, no change has been made.

The ISQMs, ISAs, ISAEs and ISRSs may also make reference to specific ethical requirements in the IESBA Code that are not applicable in the rules of professional conduct / code of ethics. Such references have been replaced by wording that is reflective of Canadian rules of professional conduct / code of ethics.

#### *Reason*

In the ISQMs, ISAs, ISAEs and ISRSs, the practitioner is subject to independence and other ethical requirements that ordinarily comprise the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, the "IESBA Code," together with national requirements that are more restrictive. Practitioners in Canada are generally required to comply with the rules of professional conduct / code of ethics established by professional accounting bodies whose rules / code may differ from the IESBA Code. The rules, codes and practices followed by practitioners in Canada and the IESBA Code are constantly evolving.

#### *Effect on compliance with ISAs, ISAEs and ISRSs*

The nature and extent of these differences may prevent the practitioner from representing compliance with the ISAs, ISAEs and ISRSs. Practitioners performing audits of financial statements in accordance with the CASs, assurance engagements in accordance with the CSAEs or related services engagements in accordance with the CSRSs should not represent compliance with the ISAs, ISAEs or ISRSs unless the independence and other ethical requirements with which they have complied meet or exceed the IESBA Code together with national requirements that are more restrictive.

### **2. Protocols with other bodies**

#### *Amendment*

Protocols established by the AASB with other bodies governing other professions in Canada to facilitate the communications between practitioners and other professionals have been added to the relevant CASs.

#### *Reason*

In Canada, communications between practitioners and the audit entity's legal counsel in respect of claims and possible claims are guided by the Joint Policy Statement approved by the Canadian Bar Association and the AASB. The "Joint Policy Statement Concerning Communication with Law Firms Regarding Claims and Possible Claims in Connection with the Preparation and Audit of Financial Statements" is appended to [CAS 501](#). 1 In addition, communications between practitioners and the audit entity's actuary involved in preparation of the financial statements are guided by the Joint Policy Statement approved by the Canadian Actuarial Standards Board and the AASB. The "Joint Policy Statement Concerning Communications between Actuaries Involved in the Preparation of Financial Statements and Auditors" is appended to [CAS 500](#). 2



#### *Effect on compliance with ISAs*

This amendment does not affect the ability of a practitioner performing an audit of financial statements in accordance with the CASs to comply with the ISAs.

### **3. General purpose frameworks**

#### *Amendment*

Paragraphs [CA8A](#) and CA8B of CAS 210 3 have been added to describe the financial reporting frameworks in Canada that are generally accepted and are relevant in determining the acceptability of the applicable financial reporting framework for general purpose financial statements.

#### *Reason*

In Canada, incorporating or other governing legislation and regulation often requires or permits the use of certain financial reporting standards as the applicable financial reporting framework when preparing general purpose financial statements. The AASB considered it important to identify such financial reporting standards to assist practitioners when determining the acceptability of the applicable financial reporting framework.

#### *Effect on compliance with ISAs*

This amendment does not affect the ability of a practitioner performing an audit of financial statements in accordance with the CASs to comply with the ISAs.

### **4. Separate Canadian Standard for Direct Engagements**

#### *Amendment*

Paragraphs [C2](#), [C5](#), [C12](#), [CA8](#) and [Appendix C2](#) of CSAE 3000 reflect additions, or amendments to the wording in ISAE 3000, 4 necessary to reflect that [CSAE 3001](#) covers direct engagements.

#### *Reason*

ISAE 3000 covers only attestation engagements, but includes a statement that the ISAE "may also be applied to reasonable and limited assurance direct engagements, adapted and supplemented as necessary in the engagement circumstances." Direct engagements are often performed in Canada, particularly performance audits in the public sector. Therefore, a separate standard, [CSAE 3001](#), was issued to address direct engagements only. Amendments to wording in ISAE 3000 were made to clearly reflect that [CSAE 3000](#) applies only to attestation engagements.

#### *Effect on Compliance with ISAE 3000*

The amendments do not affect the ability of a practitioner performing an assurance engagement in accordance with [CSAE 3000](#) to comply with ISAE 3000.

### **5. Effectiveness of Controls Relevant to the Engagement**

#### *Amendment*

Paragraph [C48RC](#)(b)(i) of CSAE 3000 contains amended terminology regarding how the practitioner approaches the effectiveness of controls relevant to the engagement. This terminology is consistent with that in the CASs and other CSAEs.

#### *Reason*

The amended terminology clarifies that requirements regarding the operating effectiveness of controls relevant to the engagement are consistent among the various standards.

#### *Effect on Compliance with ISAE 3000*

This amendment does not affect the ability of a practitioner performing an assurance engagement in accordance with [CSAE 3000](#) to comply with ISAE 3000.

### **6. Assurance and Related Services Guidelines**

#### *Amendment*

Paragraph [C20A](#) of CAS 200 5 has been added to clarify the authority of Assurance and Related Services Guidelines relevant to the engagement.

#### *Reason*

The IAASB does not issue authoritative pronouncements other than the ISAs. In Canada, the AASB issues Guidelines that may be relevant to an engagement to audit historical financial statements. The AASB considered it important to include a requirement in [CAS 200](#) to establish the authority attached to Guidelines issued by the AASB.

#### *Effect on compliance with ISAs*



This amendment does not affect the ability of a practitioner performing an audit of financial statements in accordance with the CASs to comply with the ISAs.

## **7. Effective dates of adopted standards**

### *Amendment*

The effective dates of certain Canadian standards adopted from international standards differ from those in the corresponding international standard. The applicable Canadian standards are included in the summary table.

### *Reason*

The AASB has deferred the effective dates to facilitate an orderly implementation of the standards.

### *Effect on Compliance with International Standards*

A practitioner performing an engagement under each of the applicable standards should not represent compliance with the corresponding international standards unless it complies with all the requirements in the international standard.

## **8. Communicating Key Audit Matters in the Independent Auditor's Report**

### *Amendment*

Paragraphs [C30](#) and [C40C\(c\)](#) of CAS 700 6 have been amended to set the scope under which auditors are required to communicate key audit matters in accordance with [CAS 701](#) 7 as listed entities, excluding listed entities required to comply with National Instrument (NI) 81-106, *Investment Fund Continuous Disclosure*. ISA 700 requires such communications for audits of complete sets of general purpose financial statements of listed entities.

### *Reason*

The AASB is excluding listed entities required to comply with NI 81-106 from the scope of the requirements to communicate key audit matters in the auditor's report. The AASB believes communicating key audit matters is unlikely to have benefits for investors relative to the potential additional cost of such reporting for these types of entities.

### *Effect on Compliance with ISAs*

A practitioner performing an audit of a listed entity for financial statement periods ending on or after December 15, 2016 should not represent compliance with the ISAs unless the practitioner complies with the requirements in ISA 701.

## **9. Documents Within the Scope of CAS 720**

### *Amendment*

Paragraph [CA5A](#) has been added to the scope paragraphs in CAS 720.

### *Reason*

In Canada, the Management Discussion and Analysis issued by reporting issuers other than investment funds and the Management Report of Fund Performance issued by investment funds under the provisions of Canadian securities legislation, as well as equivalent documents in the public sector (such as the Financial Statement Discussion and Analysis) would normally be considered to be within the scope of [CAS 720](#).

### *Effect on compliance with ISAs*

This amendment does not affect the ability of a practitioner performing an audit of financial statements in accordance with the CASs to comply with the ISAs.

## **10. References to the International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (ISA for LCE)**

### *Amendment*

References in IAASB standards to the IAASB's ISA for LCE are not included in the equivalent Canadian standards.

The wording in the International standards provide options (i.e., an assurance engagement may be conducted using ISAs, the ISA for LCE or ISAEs). Practitioners performing engagements in accordance with Canadian standards do not have the same options. Therefore, for this Canadian amendment only, the paragraphs have not been marked with a "C" and the IAASB wording is not shown in square brackets in the equivalent Canadian standard.

### *Reason*

The AASB has not adopted the ISA for LCE in Canada.

*Effect on compliance with International standards*

The amendment does not affect the ability of a practitioner applying Canadian standards from asserting compliance with the IAASB's standards.

**In Summary**

The table below summarizes the paragraph and footnote numbers in the CSQMs, CASs, CSAEs and CSRs that contain the above amendments.

	Amendment									
	1	2	3	4	5	6	7	8	9	10
<a href="#">CSQM 1</a>	<a href="#">C16C(t)</a> , <a href="#">CA2</a> , <a href="#">CA23</a> , <a href="#">CA62</a> , <a href="#">CA71</a> , <a href="#">CA74</a>						<a href="#">C13</a>			<a href="#">A1</a> , <a href="#">A8</a> , <a href="#">A83</a> , <a href="#">A85</a>
<a href="#">CSQM 2</a>	<a href="#">C13C</a> (c)						<a href="#">C11</a>			<a href="#">A0A</a>
<a href="#">CAS 200</a>	<a href="#">CA17</a> – <a href="#">CA-19</a>					<a href="#">C20A</a>				
<a href="#">CAS 210</a>			<a href="#">CA8A</a> and <a href="#">CA8B</a>							
<a href="#">CAS 220</a>	<a href="#">C12C</a> (k), <a href="#">CA27</a>									
<a href="#">CAS 240</a>	<a href="#">CA175</a> footnote <a href="#">C76</a>									
<a href="#">CAS 250</a>							<a href="#">C10</a>			
<a href="#">CAS 260</a>	<a href="#">C18</a> C(a)(ii), <a href="#">CA30</a> , <a href="#">CA49</a>						<a href="#">C8</a>			
<a href="#">CAS 330</a>							<a href="#">C2B</a>			
<a href="#">CAS 450</a>							<a href="#">C2A</a>			
<a href="#">CAS 500</a>		<a href="#">CA59A</a>								
<a href="#">CAS 501</a>		<a href="#">CA25A-</a> <a href="#">CA25C</a>								

<a href="#">CAS 610</a>	<a href="#">CA14</a> Footnotes C16 and C17									
<a href="#">CAS 620</a>	<a href="#">CA18</a> , <a href="#">CA19</a>									
<a href="#">CAS 700</a>	<a href="#">C40C(b)</a> , <a href="#">CA34</a> , <a href="#">Appendix C1</a>						<a href="#">C5</a>	<a href="#">C5B</a> , <a href="#">C30</a> , <a href="#">C40C(c)</a> , <a href="#">CA41</a>		
<a href="#">CAS 701</a>							<a href="#">C6</a>	<a href="#">C5</a> , <a href="#">CA61</a>		
<a href="#">CAS 705</a>							<a href="#">C3</a>			
<a href="#">CAS 706</a>							<a href="#">C5</a>			
<a href="#">CAS 720</a>	<a href="#">C4</a> footnote C2 and <a href="#">CA38</a> footnote C14						<a href="#">C10</a>	<a href="#">Appendix C2</a>  Footnotes C3, <a href="#">C6</a> , <a href="#">C32</a> , <a href="#">C38</a> and <a href="#">C44</a>	<a href="#">CA5A</a>	
<a href="#">CAS 800</a>	<a href="#">Appendix C1</a>						<a href="#">C4</a>	<a href="#">CA16</a>		
<a href="#">CAS 805</a>	<a href="#">Appendix C2</a>						<a href="#">C4</a>	<a href="#">CA20</a>		
<a href="#">CAS 810</a>	<a href="#">CA13</a>  footnote C15						<a href="#">C2</a>			
<a href="#">CSAE 3000</a>	<a href="#">C3C(a)</a> , <a href="#">C20</a> , <a href="#">C69C(j)</a> , <a href="#">CA30</a> - <a href="#">CA34</a> , <a href="#">CA60</a> , <a href="#">CA68</a>  footnote C10, <a href="#">CA128</a> , <a href="#">CA173</a>			<a href="#">C2</a> , <a href="#">C5</a> , <a href="#">C12C(a)</a> <a href="#">CA8</a> , <a href="#">Appendix C2</a> , <a href="#">A21</a>  footnote C4	<a href="#">C48R</a>  C(b)(i)					1
<a href="#">CSAE 3410</a>	<a href="#">C10</a> , <a href="#">C75C(j)</a> , <a href="#">CA5</a> , <a href="#">CA6</a>						<a href="#">C12B</a>			
<a href="#">CSRS 4400</a>	<a href="#">C13(k)</a> , <a href="#">CA14</a> , <a href="#">CA15</a>									

## Changes to the Wording of ISQMs, ISAs, ISAEs and ISRSs

This appendix sets out changes made to the wording of International Standards on Quality Management (ISQMs), International Standards on Auditing (ISAs), International Standards on Assurance Engagements (ISAEs) and International Standards on Related Services (ISRSs) so that Canadian Standards on Quality Management (CSQMs), Canadian Auditing Standards (CASs), Canadian Standards on Assurance Engagements (CSAEs) and Canadian Standards on Related Services (CSRSs) can be used in the context of the Assurance Handbook.

### ISQMs

The terms "IAASB," "IAASB Engagement Standards," "ISQM," and "ISQMs" are replaced by the terms "AASB," "Assurance Engagement Standards," "CSQM," and "CSQMs," respectively.

### ISAs

The terms "Glossary of Terms issued by the IAASB," "IAASB," "ISA," and "ISAs," are replaced by the terms "Glossary of Terms in the Assurance Handbook," "AASB," "CAS," and "CASs," respectively. The term "national requirements" is replaced by the term "requirements."

The term "International Standards on Auditing" is replaced by the term "Canadian generally accepted auditing standards" when it refers to the standards in accordance with which the audit is conducted, and "Canadian Auditing Standards" in other circumstances.

When an ISA makes reference, other than by way of example, to an international standard relating to an engagement other than an audit of historical financial information (for example, ISAE 3000 3 ), the reference is replaced by the equivalent standard used in Canada (for example, [CSAE 3000](#) or [CSAE 3001](#) 4 ).

Throughout the ISAs, when referring to the auditor's opinion on financial statements, two possible wording choices are referenced — "present fairly, in all material respects," or "give a true and fair view of" (when the auditor expresses an adverse opinion the wording choices are "do not present fairly (or give a true and fair view)"). In Canada, governing legislation often requires the use of (and it is generally accepted practice to use) the phrase "present fairly, in all material respects." Therefore, in illustrations of auditor's opinions throughout the CASs, the phrase "present fairly, in all material respects," or "do not present fairly," as appropriate, is used and no reference is made to the phrase "give a true and fair view."

Throughout the ISAs, in illustrations of the Basis for Opinion section of the auditor's report where the relevant ethical requirements that apply to the audit are those of the jurisdiction, the word "Canada" is used instead of the words "the [jurisdiction]."

In [Illustrations 1](#) and [2](#) of CAS 700, 5 [Illustration 3](#) of CAS 800 6 and [Illustration 3](#) of CAS 805, 7 the example wording of the statement provided to those charged with governance that the auditor has complied with relevant ethical requirements regarding independence in the Auditor's Responsibilities for the Audit of the Financial Statements section of the auditor's report has been revised to reflect the requirements of relevant ethical requirements in Canada.

In [Illustrations 2](#) and [4](#) of CAS 720 8 the example wording of the Other Information section of the auditor's report has been revised to reflect the Canadian securities environment relating to audits of listed entities.

In ISA 810, 9 when referring to the auditor's opinion on summary financial statements, two possible wording choices are referenced — "are a fair summary of," or "are consistent, in all material respects, with." In Canada, the established practice is to use the phrase "in all material respects, fairly summarize" in the auditor's opinion on summary financial statements. Therefore, in illustrations of auditor's opinions in [CAS 810](#), 10 the phrase "a fair summary of," is used and no reference is made to the phrase "consistent, in all material respects, with."

### ISAEs

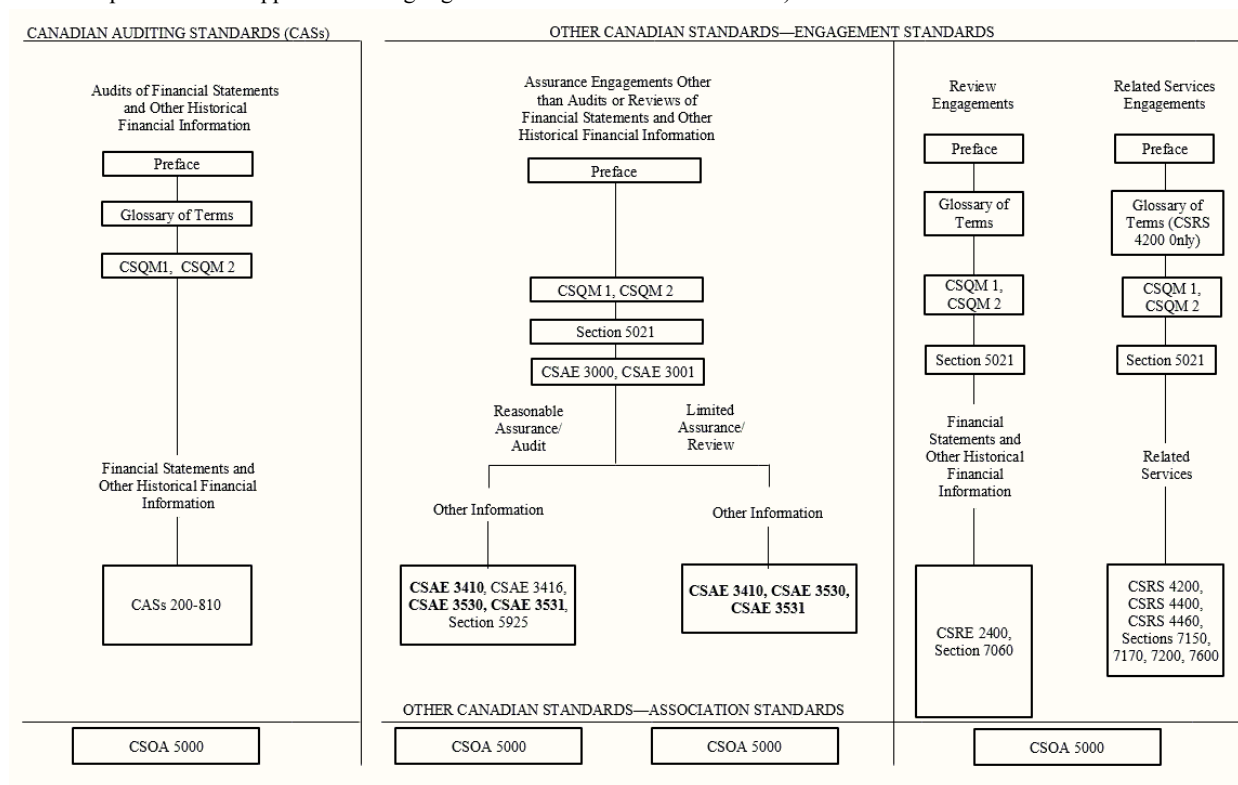
The terms "ISAE," "ISAEs," are replaced by the terms "CSAE," "CSAEs."

When an ISAE makes reference, other than by way of example, to an international standard relating to an engagement other than an audit of historical financial information (for example, ISAE 3000), the reference is replaced by the equivalent standard used in Canada (for example, [CSAE 3000](#) or [CSAE 3001](#)).

### ISRSs

The terms "ISRS," "ISRSs," are replaced by the terms "CSRS," "CSRSs."

(Certain parts of the Assurance Handbook apply to, or contain requirements and supporting guidance relating to, more than one type of engagement. Accordingly, they have been repeated in this Appendix and highlighted in bold where this is the case.)



## Appendix 5

(Ref: Para. [35](#))

### Criteria Used by the AASB in Developing Assurance and Related Services Guidelines

- The AASB will issue an Assurance and Related Services Guideline regarding systems of quality management or audits of financial statements or other historical financial information only when Canadian guidance is needed to interpret existing requirements in a Canadian Standard on Quality Management (CSQM) or a Canadian Auditing Standard (CAS) to deal with one or more of the following:
  - Canadian legal or regulatory matters.
  - Relationships established with bodies governing other professions in Canada (for example, the Canadian Institute of Actuaries).
  - Circumstances particular to the Canadian environment, other than those noted in (a) and (b), where the AASB believes a Guideline is required to serve the Canadian public interest and maintain the quality of auditing and reporting in Canada.
- The AASB will issue a Guideline regarding assurance and related services other than audits of financial statements or other historical financial information only when Canadian guidance is needed to interpret existing requirements (or Recommendations, as appropriate) in an Other Canadian Standard (OCS) to deal with either of the following circumstances:

- (a) The AASB concludes that guidance is needed to interpret existing requirements (or Recommendations, as appropriate) in one or more standards and it is not practicable to revise the relevant standard(s) within an appropriate timeframe.
  - (b) The AASB believes there are circumstances other than those noted in (a) where a Guideline is required to serve the Canadian public interest and maintain the quality of assurance and related services and reporting in Canada.
- 

## Footnotes

1. [CSAE 3000](#), *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*, and [CSAE 3001](#), *Direct Engagements*
2. [CSRE 2400](#), *Engagements to Review Historical Financial Statements*
3. Unless otherwise stated, the term "financial statements" means financial statements comprising historical financial information.
4. Referred to hereafter as "the auditor".
5. [CAS 200](#), *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Canadian Auditing Standards*
6. ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*, paragraph 20, requires that the auditor not represent compliance with ISAs in the auditor's report unless the auditor has complied with the requirements of that ISA and all other ISAs relevant to the audit.
7. [CSRS 4200](#), *Compilation Engagements*
8. AUTHORITY OF AUDITING AND ASSURANCE STANDARDS AND OTHER GUIDANCE FOR ENGAGEMENTS OTHER THAN AUDITS OF FINANCIAL STATEMENTS AND OTHER HISTORICAL FINANCIAL INFORMATION, Section [5021](#)
9. CSAE 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*, paragraph [15](#), requires that the practitioner not represent compliance with it or any other CSAE unless the practitioner has complied with the requirements of CSAE 3000 and any other CSAE relevant to the engagement.
10. "Public sector" refers to federal, provincial, territorial and local governments, government organizations, government partnerships, and school boards.
1. Reference to ISAs in this appendix also includes reference to International Standards on Quality Management (ISQMs) adopted as Canadian Standards on Quality Management (CSQMs), relevant International Standards on Assurance Engagements (ISAEs) adopted as Canadian Standards on Assurance Engagements (CSAEs) and relevant International Standards on Related Services (ISRSs) adopted as Canadian Standards on Related Services (CSRSs), where applicable.
2. Canadian incorporating and other governing legislation often require entities to prepare financial statements in accordance with Canadian GAAP. Accordingly, if Canadian GAAP necessitates a different audit response in Canada, these differences fall within the definition of a legal or regulatory requirement.
2. Canadian incorporating and other governing legislation often require entities to prepare financial statements in accordance with Canadian GAAP. Accordingly, if Canadian GAAP necessitates a different audit response in Canada, these differences fall within the definition of a legal or regulatory requirement.
1. [CAS 501](#), *Audit Evidence — Specific Considerations for Selected Items*
2. [CAS 500](#), *Audit Evidence*
3. [CAS 210](#), *Agreeing the Terms of Audit Engagements*
4. ISAE 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*
5. [CAS 200](#), *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Canadian Auditing Standards*
6. CAS 700, *Forming an Opinion and Reporting on Financial Statements*
7. CAS 701, *Communicating Key Audit Matters in the Independent Auditor's Report*

3. ISAE 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*
4. [CSAE 3000](#), *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*, or [CSAE 3001](#), *Direct Engagements*
5. [CAS 700](#), *Forming an Opinion and Reporting on Financial Statements*
6. [CAS 800](#), *Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*
7. [CAS 805](#), *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*
8. [CAS 720](#), *The Auditor's Responsibilities Relating to Other Information*
9. ISA 810, *Engagements to Report on Summary Financial Statements*
10. [CAS 810](#), *Engagements to Report on Summary Financial Statements*

---

Terms and Conditions and Privacy Policy

Help desk: Mon-Fri, 9am-5pm ET 1-866-256-6842 [Contact Us](#) [Quick Reference Guide](#)

© 2001-2025, Knotia Canada Limited Partnership All rights reserved.