

CPA Canada handbook – assurance highlight summary no. 39 December 2022

Changes to Illustrative Engagement Letters, Auditor's Reports and Practitioner's Reports resulting from changes to International Accounting Standard (IAS) 1, *Presentation of Financial Statements*

In February 2021, the International Accounting Standards Board revised IAS 1, *Presentation of Financial Statements*, to require entities to disclose material accounting policy information rather than significant accounting policies. In June 2021, the Accounting Standards Board endorsed these amendments. As a result, the following illustrative engagement letters, auditor's reports and practitioner's reports that demonstrate the language the practitioner would use when the entity complies with International Financial Reporting Standards have been revised:

- Canadian Assurance Standard (CAS) 210, *Agreeing the Terms of Audit Engagements*, Appendix [1](#);
- CAS 510, *Initial Audit Engagements – Opening Balances*, Appendix, Illustrations [1-2](#);
- CAS 570, *Going Concern*, Appendix, Illustrations [1-3](#);
- CAS 600, *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*, Appendix [1](#);
- CAS 700, *Forming an Opinion and Reporting on Financial Statements*, Appendix [C1](#), Illustrations [1-3](#);
- CAS 705, *Modifications to the Opinion in the Independent Auditor's Report*, Appendix, Illustrations [1-5](#);
- CAS 706, *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*, Appendix [3](#) and Appendix [4](#);
- CAS 710, *Comparative Information – Corresponding Figures and Comparative Financial Statements*, Appendix, Illustrations [1-4](#);
- CAS 720, *The Auditor's Responsibilities Relating to Other Information*, Appendix [C2](#), Illustrations [1-7](#); and
- Canadian Standard on Review Engagements 2400, *Engagements to Review Historical Financial Statements*, Appendix [3](#), Illustration [5](#).

These changes apply to audits and reviews of financial statements prepared in accordance with IFRS Accounting Standards, including the amendments to IAS 1 *Presentation of Financial Statements* which are effective for annual reporting periods beginning on or after January 1, 2023.

Archived Pronouncements

To give Handbook readers continued access to superseded illustrations, the Archived Pronouncements set out the wording of those illustrations. The archived material will be withdrawn from the Handbook when it is no longer effective.

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