

# Overview of PEG 2018

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The content in **CaseWare®/CPA Canada PEG Audit, Review, and Compilation** is based on the Canadian Professional Engagement Guide (PEG), which is described by CPA Canada as follows:

*“PEG is designed to:*

- Provide practical step-by-step guidance for practitioners and their staff to perform assurance and compilation engagements relating primarily to small and medium-sized entities.*
- Promotes consistent application of the Canadian Auditing Standards and the review and compilation standards (Other Canadian Standards) included in the CPA Canada Handbook – Assurance, Post-Auditor Reporting that was published in December 2017.*

*The goals for PEG are to help practitioners:*

- Conduct high-quality, cost-effective small and medium-sized entity assurance and compilation engagements in compliance with professional standards.*
- Inform, educate and train professional accountants and students.*
- Better serve the public interest.*

*The purpose of the PEG is to provide practical guidance to practitioners in conducting audit, review and compilation engagements for small and medium-sized entities.*

*Requirements that are unique to particular kinds of organizations, such as listed entities (i.e., public companies) or specialized industries, such as municipalities and financial institutions), are not specifically covered in this guide. PEG is not intended to be a substitute for professional standards and related pronouncements, nor is it a substitute for the practitioner's professional judgment. The guide's anticipated users must perform the following:*

- Read the original pronouncements**  
*It is assumed that practitioners have read, and acquired a basic knowledge of, the Canadian Auditing Standards and Other Canadian Standards.*
- Exercise professional judgment in each engagement**  
*The practitioner's application of relevant knowledge and experience to the known facts and circumstances of each engagement is a key requirement to ensure informed decisions are made about matters such as determining materiality, identifying the nature and extent of procedures required, evaluating the evidence obtained, and drawing appropriate conclusions.*

*The sample forms, checklists and questionnaires provided in the accompanying file are useful practice aids that can save time and money while ensuring completeness and consistency. These forms are designed:*

- To be used by professional staff members who have some understanding of assurance engagements and other relevant requirements. Consequently, it is highly recommended that staff members receive some basic training on the relevant professional standards and the use of the forms before commencing work on the engagement.*
- To allow for structured and systematic documentation of the results of performing assurance procedures. Such documentation helps to facilitate file review, ensure consistent assessment of risks and produce straightforward updates in subsequent years.*
- To be used on any audit engagement regardless of the entity's size and/or complexity. In addition to the standard forms, there are also a number of condensed forms designed primarily for use on smaller engagements by practitioners who have a sound understanding of the Canadian Auditing Standards and their objectives (including their application and other explanatory material).*

*These practice aids do not specifically address the following:*

- the wide range of circumstances, risk factors or specific industry issues that may exist for a particular client or groups of clients, such as those operating in a specialized industry.*
- requirements relating to listed entities*

*The PEG forms should always be tailored to address the known facts and circumstances of each individual engagement.*

*“PEG is not intended as a substitute for reading and understanding the relevant professional standards contained in the CPA Canada Handbook – Assurance, Post-Auditor Reporting, nor is it a substitute for the application of professional judgment required by practitioners.”*

The content is updated on a regular basis by CPA Canada and practitioners should ensure that they are using the most up to date version of all forms.

## **Disclaimer**

This guide is designed to assist practitioners in the implementation of Canadian Auditing Standards for audit engagements and Other Canadian Standards applicable for review and compilation engagements. The guide is not intended to be a substitute for the standards.

Practitioners should utilize this guide in light of their professional judgment and the facts and circumstances involved in each particular engagement. CPA Canada disclaims any responsibility or liability that may occur, directly or indirectly, as a consequence of the use and application of this guide.

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