PROPOSED CANADIAN UMBRELLA ASSURANCE STANDARDS

Presentation by John Wiersema to IAASB December 2013

OUTLINE

• Canadian context and experience
• Suggestions for moving forward
• Focus on public sector and legislative audit
Canadian Legislative Audit Environment

• 11 Auditors General (AGs)
• Canadian Council of Legislative Auditors (CCOLA)

EXISTING STANDARDS

• Standards for Assurance Engagements (1997)
• Standards re Quality Control, Specialists, Internal Audit, General Review Standards (1989 to 2005)
• Supported by AGs
• Quality and accountability (peer reviews)
WHO

- PSAAB – PSAB
- Joint Task Force (1997)
  - 3 AGs/Assistant AGs & 3 private sector auditors
- Existing Task Force (formed 2009)
  - 4 Assistant AGs, 2 private sector auditors
- AASB
  - Big 6, 2 small firms, 1 academic, 1 internal auditor, 1 retired AG, 2 assistant AGs

AASB PLANS

- ISAE 3000 → CSAE 3000
- CSAE 3001 for direct engagements
ATTEST VS. DIRECT

Many similarities but important differences that need to be fully understood and respected

SIMILARITIES
• Independence
• Rigour
• Suitable criteria
• Evidence
• Assurance
• Conclusion

DIFFERENCES
• Management assertion
• Findings
• Original information

Both are important to the public interest

KEY DIFFERENCES – CSAE 3000

• Assurance engagements – Attestation engagements

• Definition of assurance engagements
KEY DIFFERENCES – CSAE 3001

• “Subject matter information” – Findings/observations
• No two-step process
• Misstatements – Deviations

MESSAGES TO CONSIDER

• Attest and direct – many similarities but important differences
• Standards are in the public interest – quality and accountability
• Engage senior, committed and experienced practitioners/leaders
• Resonate with practitioners
DETAILS OF DIFFERENCES

• See agenda paper for this session