



August 18, 2014

International Auditing and Assurance Standards Board  
Via webposting: [www.iaasb.org](http://www.iaasb.org)

Dear Sir/Madam:

**Re: Addressing Disclosures in the Audit of Financial Statements (May 2014)**

Overall, we support the proposed standards in the exposure draft. The following are our responses to specific questions raised:

- 1) We agree that the proposed changes to the ISAs are appropriate and sufficient for purposes of enhancing the focus of the auditor on disclosures and, thereby, will further support the proper application of current requirements in the ISAs.
- 2) We do not think additional enhancements to either the requirements or guidance of the ISAs are necessary for the purposes of effective auditing of disclosures as part of a financial statement audit.
- 3) We agree that the proposed changes to the assertions will help appropriately integrate the work on disclosures with the audit work on the underlying amounts, thereby promoting an earlier and more effective audit of disclosures.

Additional comments based on the revisions to the ISAs are as follows:

- 1) ISA 260 – paragraph A13, last bullet
  - ▶ We suggest that this should refer specifically to other information **included in the entity's annual report** to be consistent with proposed revisions to ISA 720 – The Auditor's Responsibilities Relating to Other Information [emphasis added].
- 2) ISA 315 – paragraph A21a, first bullet
  - ▶ We suggest adding “or changes in the financial reporting framework” after requirements.
- 3) ISA 330 – paragraph 30
  - ▶ Given that disclosure information is not always sourced from accounting records, we suggest adding “and/or information from systems or processes that are not part of the general ledger system” after accounting records.

4) ISA 700

- ▶ Proposed paragraph A3b does not include any specific considerations related to comparability or reliability, yet these two concepts are included in subtitle directly above. We suggest adding relevant considerations reflecting comparability and reliability.

Yours truly,

A handwritten signature in blue ink that reads "Judy Ferguson". The signature is written in a cursive style with a long, sweeping underline.

Judy Ferguson, FCA  
Acting Provincial Auditor

JR/cp

cc: Mr. G. Shields, CPA, CA, Director, Auditing and Assurance Standards Board, CPA Canada