

**Exposé-sondage Projet visant
la révision de la Norme
canadienne d'audit (NCA) 240
*Responsabilités de l'auditeur
concernant les fraudes lors
d'un audit d'états financiers***

Réponses à l'exposé-sondage

Mars 2024

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Réponse	Organisation
1	MNP LLP
2	Provincial Auditor Saskatchewan

May 6, 2024

Karen DeGiobbi, CPA, CA
Director, Auditing and Assurance Standards
Auditing and Assurance Standards Board
277 Wellington Street West
Toronto, ON M5V 3H2

Re: Exposure Draft: Proposed International Standard on Auditing 240 (Revised), *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

Thank you for the opportunity to comment on this Exposure Draft ("ED").

MNP LLP ("MNP") is one of Canada's largest chartered professional accountancy and business advisory firms. Our client base is focussed on small to mid-size businesses covering a broad range of industries including agriculture, agribusiness, retail and manufacturing as well as credit unions, co-operatives, Indigenous communities and businesses, medical and legal professionals, not-for-profit organizations, municipalities, government entities, and publicly traded companies. We believe that we are positioned well to provide feedback on this ED for the revisions to CAS 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*.

In addition to our responses to the below questions, please find attached our comments on the IAASB's Exposure Draft.

Providing comments to the AASB

1. Do you believe that the AASB has appropriately integrated scalability considerations in ED-240 (i.e., scalable to entities of different sizes and complexities, given that matters related to fraud in an audit of financial statements are relevant to audits of all entities, regardless of size or complexity)?

We do not believe that the revised standard appropriately integrates sufficient scalability considerations for small and medium sized entities (which make up the majority of the Canadian market). Please refer to our response to question #8 in the IAASB letter. We recommend that further implementation guidance for less complex entities be developed by the AASB with Canadian entities in mind, if the IAASB does not make further changes. Alternatively, audit standards specific to audits of less complex entities are necessary to address the growing cost-prohibitive nature of audits for little value to small/medium entities.

2. Do you agree that there are no additional Canadian amendments required to ISA 240 (Revised) to adopt it as CAS 240? If not, what Canadian amendments do you believe are required, and why?

If the IAASB does not remove the key audit matters related to fraud requirement from ISA 240, we believe then that the AASB should amend the standard to not require these disclosures. A September 2022 report on Key Audit Matters in Canada by Joanne Jones and Sandra Scott from the University of Guelph found that "Users reported limited awareness of the existence of KAMs, and very limited use of the information." The report also found that "Even after reviewing example KAMs, users indicated that they were unlikely to use the information. Given the barrage of information, users viewed the KAMs as dated and not sufficiently

informative about the business and/or business model" ([source](#)). Please refer to our response to question #5 in the IAASB comment letter for our rationale.

3. What implementation challenges, if any, might the proposed standard create for practitioners in Canada?

Please refer to our responses in the IAASB comment letter regarding implementation challenges. These challenges identified are not necessarily isolated to the Canadian market.

4. The AASB anticipates that the IAASB will approve the final standard in March 2025 with a proposed effective date approximately 18 months after approval. The proposed effective date for CAS 240 will be consistent with the anticipated effective date of the revised CAS 570, Going Concern. What concerns, if any, do you have with this timeline?

The rate of changes to auditing and accounting standards is significant, and while larger assurance firms can accommodate, implement, and develop their own training for changes, smaller and medium sized practitioners have less resources to properly equip themselves. We encourage the IAASB to consider smaller and medium sized practitioners when determining the effective dates of new standards. We suggest staggering the effective dates (i.e., move the ISA 240 effective date to one year beyond the effective date for ISA 570) between the revisions to ISA 240 and ISA 570 in order to provide some relief for all practitioners.

We would be pleased to offer assistance to the AASB in further exploring issues raised in our response or in finding alternative solutions.

Yours truly,

MNP LLP

Dana Ray

Dana Ray
Partner, Assurance Professional Standards Group

RESPONSE TEMPLATE FOR THE EXPOSURE DRAFT OF PROPOSED ISA 240 (REVISED)

Guide for Respondents

Comments are requested by **June 5, 2024**.

This template is for providing comments on the Exposure Draft (ED) of *Proposed International Standard on Auditing 240 (Revised), The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements and Proposed Conforming and Consequential Amendments to Other ISAs (ED-240)*, in response to the questions set out in the Explanatory Memorandum (EM) to the ED. It also allows for respondent details, demographics and other comments to be provided. Use of the template will facilitate the IAASB's automated collation of the responses.

You may respond to all questions or only selected questions.

To assist our consideration of your comments, please:

- For each question, start by indicating your overall response using the drop-down menu under each question. Then below that include any detailed comments, as indicated.
- When providing comments:
 - Respond directly to the questions.
 - Provide the rationale for your answers. If you disagree with the proposals in the ED, please provide specific reasons for your disagreement and specific suggestions for changes that may be needed to the requirements, application material or appendices. If you agree with the proposals, it will be helpful for the IAASB to be made aware of this view.
 - Identify the specific aspects of the ED that your response relates to, for example, by reference to sections, headings or specific paragraphs in the ED.
 - Avoid inserting tables or text boxes in the template when providing your responses to the questions because this will complicate the automated collation of the responses.
- Submit your comments, using the response template only, without a covering letter or any summary of your key issues, instead identify any key issues, as far as possible, in your responses to the questions.

The response template provides the opportunity to provide details about your organization and, should you choose to do so, any other matters not raised in specific questions that you wish to place on the public record. All responses will be considered a matter of public record and will ultimately be posted on the IAASB website.

Use the "**Submit Comment**" button on the ED [web page](#) to upload the completed template.

PART A: Respondent Details and Demographic information

Your organization's name (or your name if you are making a submission in your personal capacity)	MNP LLP
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Corey Dyck
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Dana Ray
E-mail address(es) of contact(s)	Dana.Ray@mnp.ca
Geographical profile that best represents your situation (i.e., from which geographical perspective are you providing feedback on the ED). Select the most appropriate option.	North America
	If "Other," please clarify.
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on the ED). Select the most appropriate option.	Accounting Firm
	If "Other," please specify.
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	MNP LLP ("MNP") is one of Canada's largest chartered professional accountancy and business advisory firms. Our clients include a wide variety of businesses and enterprises representing the mid-market segment in Canada. MNP is also the largest professional services provider to Indigenous groups and businesses in Canada. In addition, our client base includes a sizable contingent of public interest entities.

Should you choose to do so, you may provide overall views or additional background to your submission. **Please note that this is optional.** The IAASB's preference is that you incorporate all your views in your comments to the questions (also, question no. 10 in Part B allows for raising any other matters in relation to the ED).

Information, if any, not already included in responding to the questions in Part B:

PART B: Responses to Questions for Respondents in the EM for the ED

For each question, please start with your overall response by selecting one of the items in the drop-down list under the question. Provide your detailed comments, if any, below as indicated.

Responsibilities of the Auditor

1. Does ED-240 clearly set out the auditor's responsibilities relating to fraud in an audit of financial statements, including those relating to non-material fraud and third-party fraud?

(See EM, Section 1-C, paragraphs 13–18 and Section 1-J, paragraphs 91–92)

(See ED, paragraphs 1–11 and 14)

Overall response: [Disagree, with comments below](#)

Detailed comments (if any):

Most of ED-240 clearly sets out the auditor's responsibilities relating to fraud in a financial statement audit, however, we find that paragraph 21 may require additional skills beyond those of a certified public accountant and potentially cause confusion to the practitioner. It is unclear whether paragraph 21 is intended to also include immaterial fraud or fraud unrelated to financial statements (e.g., clients conducting impersonation for other fraudulent purposes). We suggest that the revised standard use more specific language (e.g., "...remain alert throughout the audit for information that is indicative of material financial statement fraud") in order to prevent this confusion.

Non-Material Fraud

Application material paragraph A11 discusses how identified misstatements due to fraud may be qualitatively material depending on why the fraud was perpetrated. In many financial statement frauds, the auditor may never truly identify why the fraud was perpetrated or may not determine the "why" for many periods after the report date. Determining the "why" may exceed the auditor's ability and generally is not necessary when determining the impact of the fraud on the financial statements.

Third-Party Fraud

While the explanatory memorandum was explicit that the IAASB did not support expanding the role of the auditor to detect third-party fraud that is not directly related to a risk of material misstatement due to fraud in the financial statements, some of the application material, including examples used, may be interpreted differently by regulators. The example used in A52 implies that any lack of management oversight over significant business processes outsourced to a third-party service provider gives rise to a fraud risk factor (i.e., opportunity). This is a simplistic example that is suggesting an absolute fact, which may not always be the case. Many small and medium sized businesses would not have strong oversight over third-party services but that doesn't necessarily mean there are fraud risks present. We encourage the board to consider softening the language and to include scalability considerations around these examples. The other challenge is that if a risk of material misstatement related to fraud is identified related to a third-party, developing the appropriate response may be difficult as the auditor may have access limitations over performing procedures at the third-party. Examples including the auditor's responses in these scenarios would be beneficial to include. Additionally, we propose aligning ED 240 with ED 500 for enhanced cohesiveness. In instances where no identified or suspected third-party fraud is detected during the audit,

the auditor may refer to guidance from ED 500 to evaluate the relevance and reliability of the audit evidence acquired from third parties.

Professional Skepticism

2. Does ED-240 reinforce the exercise of professional skepticism about matters relating to fraud in an audit of financial statements?

(See EM, Section 1-D, paragraphs 19–28)

(See ED, paragraphs 12–13 and 19–21)

Overall response: [Agree \(with no further comments\)](#)

Detailed comments (if any):

Risk Identification and Assessment

3. Does ED-240 appropriately build on the foundational requirements in ISA 315 (Revised 2019)¹ and other ISAs to support a more robust risk identification and assessment as it relates to fraud in an audit of financial statements?

(See EM, Section 1-F, paragraphs 36–46)

(See ED, paragraphs 26–42)

Overall response: [Agree, with comments below](#)

Detailed comments (if any):

We agree that ED-240 appropriately builds on the foundational requirements of ISA 315 to support a more robust risk identification and assessment as it relates to fraud. We did find that paragraphs 33-39 are rather repetitive with ISA 315 paragraphs 19-27. In our view, the additions of 33-39 would not change the way the auditor identifies and assesses the risks of material misstatement due to fraud if they appropriately followed the requirements of ISA 315 as those requirements relate to identifying and assessing the risks of material misstatement, whether due to error or fraud. We understand the IAASB's intention of applying the requirements of ISA 315 with a fraud lens, however these additional requirements contribute to increasing the length of what are already long and comprehensive auditing standards.

We found that the ED does not address to interplay between inherent risk factors and fraud risk factors. When determining the risks of material misstatement we take into account inherent risk factors, which are considered “before consideration of controls”. An aspect of fraud risk factors, per the ED, is the opportunity to commit fraud. Oftentimes, our fraud risk assessments around opportunity require us to consider the control environment, as strong internal controls that detect and prevent fraud generally reduce the opportunity for fraud to be committed. This creates a contradiction in how to assess inherent risks (due to error) and fraud risks and we encourage the IAASB to provide additional guidance on this in ISA 240.

¹ ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

Fraud or Suspected Fraud

- 4 Does ED-240 establish robust work effort requirements and application material to address circumstances when instances of fraud or suspected fraud are identified in the audit?

(See EM, Section 1-G, paragraphs 47–57 and Section 1-E, paragraph 35)

(See ED, paragraphs 55–59 and 66–69)

Overall response: Agree (with no further comments)

Detailed comments (if any):

Transparency on Fraud-Related Responsibilities and Procedures in the Auditor's Report

- 5 Does ED-240 appropriately enhance transparency about matters related to fraud in the auditor's report?

(See EM, Section 1-H, paragraphs 58–78)

(See ED, paragraphs 61–64)

Overall response: Disagree, with comments below

Detailed comments (if any):

We do not believe that ED-240 appropriately enhances transparency about matters related to the fraud in the auditor's report and believe that it may introduce further confusion and may further widen the expectation gap between financial statement users and auditors.

We believe that fraud risk assessments, responses, and instances of actual or alleged frauds were sufficiently included within the scope of ISA 701. Key audit matters are selected from matters communicated with those charged with governance and those matters always include the auditor's fraud risks identified and risk response. Having two levels of key audit matters, those related to fraud and those unrelated to fraud may confuse financial statement users. On the topic of actual frauds, it is management's responsibility to disclose that information to financial statement users, not the auditor. If an actual fraud occurred and management disclosed the matter in the notes to the financial statements, if it takes significant auditor attention it would be reasonable that it could constitute a key audit matter, however the auditor report disclosure is likely to be boilerplate given the sensitivities around the matter and due to the notion that the auditor report should not contain any disclosure that is not already in the financial statements.

Additionally, if a fraud were to occur, by disclosing it in the auditor's report prior to any legal proceedings, the auditor would be considered a trier of fact which would be inappropriate.

On most Canadian listed entity audits, fraud-related matters rarely meet all of the conditions required to report a KAM under ISA 701. The statement in A176 that it would be rare that the auditor would not determine at least one KAM related to fraud in the audit of a complete set of general-purpose financial statements for a listed entity is inconsistent with our experience in applying CAS 701 and will result in a significant change in practice.

We encourage the IAASB to conduct a post-implementation review of ISA 701 before introducing additional disclosures to auditor's reports. A September 2022 report on Key Audit Matters in Canada by Joanne Jones and Sandra Scott from the University of Guelph found that "Users reported limited awareness of the existence of KAMs, and very limited use of the information." The report also found that "Even after reviewing example KAMs, users indicated that they were unlikely to use the information. Given the barrage of information, users viewed the KAMs as dated and not sufficiently informative about the business and/or business model" ([source](#)). In a world of information overload, it is imperative that we ensure the information contained in the auditor's report is useful for financial statement users.

6. In your view, should transparency in the auditor's report about matters related to fraud introduced in ED-240 be applicable to audits of financial statements of entities other than listed entities, such as PIEs?

(See EM, Section 1-H, paragraphs 76–77)

(See ED, paragraphs 61–64)

Overall response: [Disagree, with comments below](#)

Detailed comments (if any):

We do not believe this suggested revision regarding key audit matters relating to fraud should be expanded to non-listed entities or public interest entities. Refer to our response in #5.

Considering a Separate Stand-back Requirement in ED-240

7. Do you agree with the IAASB's decision not to include a separate stand-back requirement in ED-240 (i.e., to evaluate all relevant audit evidence obtained, whether corroborative or contradictory, and whether sufficient appropriate audit evidence has been obtained in responding to the assessed risks of material misstatement due to fraud)?

(See EM, Section 1-J, paragraphs 107–109)

Overall response: [Agree \(with no further comments\)](#)

Detailed comments (if any):

Scalability

8. Do you believe that the IAASB has appropriately integrated scalability considerations in ED-240 (i.e., scalable to entities of different sizes and complexities, given that matters related to fraud in an audit of financial statements are relevant to audits of all entities, regardless of size or complexity)?

(See EM, Section 1-J, paragraph 113)

Overall response: [Disagree, with comments below](#)

Detailed comments (if any):

We do not believe that ED-240 contains the necessary scalability considerations that should apply to small and medium sized entities. Canada's regulatory environment incorporates a Venture Exchange for small and medium sized listed entities. Moreover, within the Canadian landscape, numerous micro-entities operate without highly sophisticated governance structures or formally documented internal control systems. For instance, in Venture Exchange listed entities, those charged with governance are not required to be financially literate and in many of these smaller listed entities CEO's are majority owners. In multiple areas of ED-240 there are requirements to understand and discuss the entity's culture, management's commitment to integrity and ethical values, and oversight by those charged with governance. Consequently, for many small and medium sized entities in Canada, there will be limited aspects to explore and discuss given resource and capacity constraints at the entity and the size and informal nature of the business, however these entities still require an unqualified audit opinion due to securities law. Significant application guidance is necessary to clearly articulate the expectations of auditors of small and medium sized businesses (i.e., scalability considerations). Additionally, if the auditor had concerns about the entity's culture and commitment to integrity and ethics, this should have been identified at the client acceptance/continuance stage and arguably the audit should not have been accepted.

In addition, paragraph 29(b) states that the discussion should include a consideration of fraud that has occurred at the entity during the current or prior years. For many clients, the auditor may not have the history or knowledge of prior years' fraud and we recommend that this requirement be removed, or that conditional language be added limiting the auditor's responsibility to inquiry regarding whether those charged with governance are aware of prior years' frauds. Only if the answer to that question is yes, should the auditor be required to consider any required follow up. As an example, if a group entity acquired a new subsidiary during the year, it may be interpreted under 29(b) that the auditor would need to inquire about any previous years' frauds at that acquired entity – it is unclear for how many years back would the auditor be required to go.

Overall, we believe that this standard will be difficult for small and medium sized entity auditors to implement on a cost-effective and value-added basis. Significant guidance will be necessary to ensure scalability is reasonably possible and interpretations are consistent between practitioners and regulators.

Linkages to Other ISAs

9. Does ED-240 have appropriate linkages to other ISAs (e.g., ISA 200,² ISA 220 (Revised),³ ISA 315 (Revised 2019), ISA 330,⁴ ISA 500,⁵ ISA 520,⁶ ISA 540 (Revised)⁷ and ISA 701⁸) to promote the application of the ISAs in an integrated manner?

(See EM, Section 1-J, paragraphs 81–84)

² ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*

³ ISA 220 (Revised), *Quality Management for an Audit of Financial Statements*

⁴ ISA 330, *The Auditor's Responses to Assessed Risks*

⁵ ISA 500, *Audit Evidence*

⁶ ISA 520, *Analytical Procedures*

⁷ ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*

⁸ ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*

Overall response: [Disagree, with comments below](#)

Detailed comments (if any):

We disagree with some of the linkages in ED-240 to ISA 250. There are many references in ED-240 to certain or applicable laws, regulations and aspects of relevant ethical requirements, that state that the auditor may need to perform a requirement due to law or regulation as a result of identifying a fraud (e.g., inform authorities). Regardless of what the auditing standard says, the auditor would be required to follow the applicable laws and regulations. ED-240 appears to be overreaching in these areas as they are going outside of the audit requirements themselves. There is guidance pertaining to corruption, bribery and money laundering in ED-240 which auditors are not required to detect as part of their normal audit procedures, however, the inclusion of them may be interpreted by regulators to be an area where the auditor needs to perform work. Given the nature of how these illegal acts can be conducted, there is a high degree of complexity if the auditor were to be required to seek these acts out (many of these acts involve dollar amounts that would be immaterial). The inclusion of this guidance may potentially lead the auditor to be interpreted as a fact seeker in criminal proceedings, which we don't believe is the intention of this standard.

Other Matters

10. Are there any other matters you would like to raise in relation to ED-240? If so, please clearly indicate the requirement(s) or application material, or the theme or topic, to which your comment(s) relate.

Overall response: [Yes, with comments below](#)

Detailed comments (if any):

Whether ED-240 Addresses the Drivers for Change

We understand that the drivers for change that initiated the ISA 240 revisions were corporate failures and accounting scandals in recent years as well as questions from stakeholders about the roles and responsibilities of the auditor related to fraud (expectation gap). In reading and understanding the changes in ISA 240, it is difficult to determine whether these changes will truly address these drivers and will result in more financial statement frauds being identified.

We suggest that more work needs to be done to evaluate the root causes of recent financial statement frauds and auditor failures in identifying them. It is not entirely clear whether the root causes were missing requirements from ISA 240 or whether it was more pervasive industry-related issues such as independence breaches, employee workload, lack of training, timeline pressures, or issues related to firms' systems of quality management.

Use of Forensic or Other Experts

When addressing the need for specialized skills (including forensic skills) the proposed revisions are not clear as to when the use of forensic or other experts would be needed when there is no suspected or alleged fraud. The expectation gap between practitioners and regulators continues to grow in this area, and many auditors of small and medium-sized businesses do not have the forensic resources available to assist on audits. We recommend additional guidance to assist practitioners in making risk-based determinations as to whether forensic or other experts are needed when there's no suspected or known fraud.

Unpredictability

We identified that the changes regarding the auditor's use of unpredictability in the selection of audit procedures will make it more and more difficult for auditors to incorporate unpredictability. Under extant ISA 240, incorporating elements of unpredictability in the selection of audit procedures was part of the determination of overall responses to address the risk of material misstatement due to the fraud at the financial statement level. This provided many areas and opportunities for auditors to incorporate unpredictability. Under ED-240 the unpredictability requirement has been repositioned as a response to the addressed risks of material misstatement due to fraud at the assertion level. For many audits, the fraud risks may be the same year-over-year. If the auditor previously had a thorough appropriate audit response to the fraud risk, this requirement is potentially forcing them to perform their procedure differently, which may reduce its effectiveness. Additionally, the examples listed in A114 should be reviewed in this context as some of them do not make sense when the procedure is being designed for the purposes of addressing an identified fraud risk (for example, performing a procedure over a balance that is not material would likely not address a risk of material misstatement due to fraud).

Public Sector Entity Examples

We have identified the following application material paragraphs where it would be beneficial to add an example specific to the public sector, as they generally carry a different risk profile from profit-oriented entities:

- A6
- A11
- A52
- A64-A66
- A81
- A155
- Appendix 2 pg. 113

Other items

We have identified the following suggestions that could improve the readability and understanding of ED-240:

- Documentation – It would be beneficial to make references back to the relevant requirements for paragraph 70 (c)-(g) the same way that paragraph 70 (a) and (b) do.
- Paragraph A105 – It would be beneficial to include an example of what is meant by evidence obtained from the risk assessment procedures that does not provide an appropriate basis for the identification of risks of material misstatement due to fraud.
- Paragraphs A107-A112 – It would be beneficial to provide guidance for entities that have more than one stream of revenue that there may be instances where certain streams may not have an associated fraud risk.

Translations

11. Recognizing that many respondents may intend to translate the final ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing the ED-240.

Overall response: [No response](#)

Detailed comments (if any):

Effective Date

12. Given the need for national due process and translation, as applicable, and the need to coordinate effective dates with the Going Concern project and the Listed Entity and PIE – Track 2 project, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods beginning approximately 18 months after approval of the final standard. Earlier application would be permitted and encouraged. Would this provide a sufficient period to support effective implementation of the ISA?

(See EM, Section 1-J, paragraphs 115–116)

(See ED, paragraph 16)

Overall response: [See comments on effective date below](#)

Detailed comments (if any):

The rate of changes to auditing and accounting standards is significant, and while larger assurance firms can accommodate, implement, and develop their own training for changes, smaller and medium sized practitioners have less resources to properly equip themselves. We encourage the IAASB to consider smaller and medium sized practitioners when determining the effective dates of new standards. We suggest staggering the effective dates (i.e., move the ISA 240 effective date to one year beyond the effective date for ISA 570) between the revisions to ISA 240 and ISA 570 in order to provide some relief for all practitioners.



May 6, 2024

Karen DeGiobbi, CPA, CA
Director, Auditing and Assurance Standards
Auditing and Assurance Standards Board
277 Wellington Street West
TORONTO, ON M5V 3H2

Dear K. DeGiobbi:

**Re: Exposure Draft Proposed Revisions to Canadian Auditing Standard (CAS) 240 –
The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements**

Overall, we support the proposed revisions to CAS 240 – The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements as outlined in the exposure draft but have some specific concerns with the changes proposed. The attachment sets out our responses to the specific questions listed in the exposure draft.

Yours truly,

A handwritten signature in black ink that reads "T. Clemett".

Tara Clemett, CPA, CA, CISA
Provincial Auditor

MH/mr
Attachment

	Question	Response
1	Do you believe the IAASB [AASB] has appropriately integrated scalability considerations in ED-240 (i.e., scalable to entities of different sizes and complexities, given that matters related to fraud in an audit of financial statements are relevant to audits of all entities, regardless of size or complexity)?	Yes, scalability considerations have been appropriately integrated.
2	Do you agree that there are no additional Canadian amendments required to ISA 240 (Revised) to adopt it as CAS 240? If not, what Canadian amendments do you believe are required and why?	We believe that there should be a Canadian amendment to paragraph A15 to provide a relevant Canadian example because the example in paragraph A15 (i.e., IESBA Code) is not relevant in Canada.
3	What implementation challenges, if any, might the proposed standard create for practitioners in Canada?	We do not anticipate any significant implementation challenges.
4	The AASB anticipates that the IAASB will approve the final standard in March 2025 with a proposed effective date approximately 18 months after approval. The proposed effective date for CAS 240 will be consistent with the anticipated effective date of the revised CAS 570, <i>Going Concern</i> . What concerns, if any, do you have with this timeline?	We think that given the effective date of the Listed Entity and Public Interest Entity – Track 2 proposed revisions is expected to differ from the IAASB’s date (at least a year later), AASB should also consider deferring the effective date of these proposed changes as decisions on the Listed Entity and Public Interest Entity – Track 2 will impact which entities may need to apply certain aspects of revised CAS 240.