

# **Gestion de la qualité – Modifications de concordance à apporter aux Autres normes canadiennes**

**Réponses à l'exposé-sondage Exposé-  
sondage du CNAC – Gestion de la qualité –  
Modifications de concordance à apporter aux  
Autres normes canadiennes**

---

**Juin 2021**

---

## Table des matières

### Réponse

### Organisation

- 1 Nazia Lakhani, BDO Canada LLP
- 2 Tara Clemett, Provincial Auditor of Saskatchewan
- 3 Lisa Lamarche, Office of the Auditor General of Canada
- 4 Phil Torchia, Auditor General Manitoba
- 5 Colin Semotiuk, Ian Sneddon, Office of the Auditor General of Alberta
- 6 Sophie Gaudreault, PricewaterhouseCoopers LLP



Tel: 416 865 0111  
Fax: 416 367 3912  
Toll-free: 888 505 7993  
www.bdo.ca

BDO Canada LLP  
20 Wellington Street East  
Suite 500  
Toronto Ontario M5E 1C5

Eric Turner, FCPA, FCA  
Director, Auditing and Assurance Standards Board  
277 Wellington Street West  
Toronto, ON  
M5V 3H2

September 15, 2021

**Re: Exposure Draft on Quality Management - Conforming Amendments to Other Canadian Standards**

Dear Mr. Turner,

We have read the above-mentioned exposure draft issued in June 2021 by the Auditing and Assurance Standards Board. Overall, we are in favour of the proposed amendments as set out in the exposure draft and the following are our views on the specific questions outlined in the exposure draft:

1. *Do you agree with the proposed conforming amendments as set out in the Appendices?*

Yes.

2. *Are there any other conforming amendments to OCSs that should be made?*

We did not identify any other conforming amendments to OCSs that should be made as part of this amendment.

3. *Do you agree with the proposed effective dates of the conforming amendments?*

Yes.

4. *Do you believe any of the proposals could create implementation challenges? If so, please explain why, and where additional implementation guidance may be needed.*

We do not believe that any of the proposals could create implementation challenges.

Thank you for your consideration of the above-noted responses. If you have any further questions, please contact me at 416-369-3088.

Yours sincerely,

Nazia Lakhani, CPA, CA  
Head of Quality and Assurance Standards Partner  
BDO Canada LLP



September 27, 2021

Eric Turner, FCPA, FCA  
Director, Auditing and Assurance Standards  
Auditing and Assurance Standards Board  
277 Wellington Street West  
TORONTO, ON M5V 3H2

Dear E. Turner:

**Re: Quality Management – Conforming Amendments to Other Canadian Standards**

We support the proposed amendments to Other Canadian Standards (OCSs) as outlined in the exposure draft Quality Management – Conforming Amendments to Other Canadian Standards. However, we think the quality control requirements in CSAE 3000 and CSAE 3001 should be the same for other assurance engagements as those for financial statement audits.

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  
Acting Provincial Auditor

/dd  
Attachment

	<b>Question</b>	<b>Response</b>
1	Do you agree with the proposed conforming amendments as set out in the Appendices?	No - We believe audit quality is as important for the other engagements as for financial statement audits. We suggest that the same level of quality requirements and guidance that are in CAS 220 (Revised) be incorporated into the other engagement standards when applicable. For example, CAS 220 Section 31 regarding engagement partner review is more explicit in the type of documentation to be reviewed than the CSAE 3000 Section 33 and CSAE 3001 Section 37 proposed review requirements.
2	Are there any other conforming amendments to OCSs that should be made?	See above
3	Do you agree with the proposed effective dates of the conforming amendments?	We agree that the effective date of the conforming and consequential amendments should be the same as those in CSQM 2 (i.e., for periods or engagements beginning on or after December 15, 2022), as we do not believe that the amendments proposed in the exposure draft require additional implementation time beyond the Quality Management standards.
4	Do you believe any of the proposals could create implementation challenges? If so, please explain why, and where additional implementation guidance may be needed.	No we do not believe any of the proposals could create implementation challenges.



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

**30 SEPTEMBER 2021**

30 September 2021

Auditing and Assurance Standards Board

Eric Turner, CPA, CA  
Director, Auditing and Assurance Standards  
Auditing and Assurance Standards Board  
227 Wellington Street West  
Toronto, ON  
M5V 3H2

Dear Mr. Turner,

Re: Exposure draft – Quality Management - Conforming Amendments to Other Canadian Standards

Thank you for the opportunity to provide feedback on the above Exposure Draft. I am responding on behalf of the Office of the Auditor General of Canada.

Our response to the specific questions posed in the Exposure Draft is provided below.

Sincerely,

Lissa Lamarche, CPA, CA  
Assistant Auditor General

1) Do you agree with the proposed conforming amendments as set out in the Appendices?

We agree with the proposed conforming amendments set out in the Appendices.

2) Are there any other conforming amendments to OCSs that should be made?

Yes other conforming amendments should be made to the OCSs. For financial statement audit engagements, the AASB has adopted CAS 220 (revised). This standard deals with the auditor's specific responsibilities regarding quality management for a financial statement audit engagement and the related responsibilities of the engagement partner. It is a rigorous standard that links and integrates the firm-level requirements of CSQM 1 and CSQM 2 to the specific requirements of the financial statement audit engagement. The changes and amendments proposed in this Exposure Draft to Other Canadian Standards should achieve the same level of integration and rigor as CAS 220 (revised).

In our view, the current proposal creates and maintains inconsistencies between the quality of financial statement audits and other types of engagements. For example, the requirements under CAS 220 (revised) are higher than the proposed requirements under CSAE 3001, whereas quality should be equally important for this type of engagement.

The following are two specific examples of how the requirements of CAS 220 (revised) are more rigorous than those of CSAE 3001.

CAS 220 (revised)	CSAE 3001 (proposed)
Review	
<p>31. The engagement partner shall review audit documentation <u>at appropriate points in time during the audit engagement, including audit documentation</u> relating to:</p> <ul style="list-style-type: none"> <li>a) Significant matters;</li> <li>b) Significant judgments, including those relating to difficult or contentious matters identified during the audit engagement, and the conclusions reached; and</li> <li>c) Other matters that, in the engagement partner's professional judgment, are relevant to the engagement partner's responsibilities.</li> </ul>	<p>37. The engagement partner shall take <u>overall</u> responsibility for <del>the overall</del> <u>managing and achieving quality on the engagement and being sufficiently and appropriately involved throughout the engagement</u>. This includes responsibility for:</p> <ul style="list-style-type: none"> <li>c) Reviews being performed in accordance with the firm's <del>review</del> <u>review</u> policies <del>and or</del> procedures, and reviewing the engagement documentation on or before the date of the assurance report.</li> </ul>
<p>Comments:</p> <p>CAS 220.31 sets out the specific items that the partner must review in paragraphs a, b, and c. Moreover, CAS 220.31 clearly states that the engagement partner must review the audit documentation at various times throughout the engagement, while CSAE 3001 states only that the review must be completed on or before the date of the assurance report. In our opinion, the review of audit documentation throughout the audit, as required by CAS 220 (revised), better supports engagement quality objectives.</p>	

Consultation	
<p>35. The engagement partner shall:</p> <p>a) Take responsibility for the engagement team undertaking consultation on:</p> <p>i) Difficult or contentious matters and matters on which the firm's policies or procedures require consultation; and</p> <p>ii) Other matters that, in the engagement partner's professional judgment, require consultation;</p> <p>b) Determine that members of the engagement team have undertaken appropriate consultation during the audit engagement, both within the engagement team, and between the engagement team and others at the appropriate level within or outside the firm;</p> <p>c) Determine that the nature and scope of, and conclusions resulting from, such consultations, are agreed with the party consulted; and</p> <p>d) Determine that conclusions agreed have been implemented.</p>	<p>37. The engagement partner shall take overall responsibility for <del>the overall</del> <u>managing and achieving</u> quality on the engagement <u>and being sufficiently and appropriately involved throughout the engagement</u>. This includes responsibility for:</p> <p>e) Appropriate consultation being undertaken by the engagement team on difficult or contentious matters.</p>
Comments:	
This example clearly demonstrates that CAS 220 (revised) is much more robust than CSAE 3001 (proposed).	

We believe that quality is important for all types of engagements. Consequently, we suggest that the same level of quality requirements in CAS 220 (revised) be incorporated in the standards for other types of assurance engagements.

We understand that the AASB's strategy is to adopt international standards by making as few amendments as possible and to use amendment criteria when adopting international standards as Canadian standards. However, with the changes in the quality management system and the emphasis on quality in our profession, the AASB has the opportunity to bring the same level of quality requirements to other assurance engagements.

3) Do you agree with the proposed effective dates of the conforming amendments?

We agree with the proposed effective dates of the current proposed conforming amendments. However, if the Board recommends additional changes in recognition of the issue identified in our response to question 2, a later effective date may be necessary.

4) Do you believe any of the proposals could create implementation challenges? If so, please explain why, and where additional implementation guidance may be needed.

We do not believe any of the proposals could create implementation issues.





**Auditor General**  
MANITOBA

---

September 29, 2021

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

Dear Eric Turner,

Thank you for the opportunity to provide comments on the Quality Management – Conforming Amendments to Other Canadian Standards Exposure Draft. I am responding on behalf of the Office of the Auditor General of Manitoba

**Question 1: Do you agree with the proposed conforming amendments as set out in the Appendices?**

We agree with the proposed conforming amendments.

**Question 2: Are there any other conforming amendments to OCSs that should be made?**

Regarding audit quality, we feel that CAS standards are now more robust than CSAE 3001 standards. This resulted as some of the specific requirements from CAS 220 (revised) were not proposed in CSAE 3001. CAS 220 (revised) is much more specific and detailed when it comes to the engagement partner's responsibilities, including review of audit documentation.

We feel that quality requirements should be the same for all engagements using CPA Standards. We suggest that changes be made to CSAE 3001 to align with quality requirements from CAS 220 (revised).

**Question 3: Do you agree with the proposed effective dates of the conforming amendments?**

We agree with the proposed effective dates.

**Question 4: Do you believe any of the proposals could create implementation challenges? If so, please explain why, and where additional implementation guidance may be needed.**

We do not believe any of the proposals would create implementation challenges.

Sincerely,

Phil Torchia, CPA, CA  
Assistant Auditor General  
Professional Practices and Quality Assurance

Colin Semotiuk, CPA, CA  
Ian Sneddon, CPA, CA  
Office of the Auditor General of Alberta  
Edmonton, Alberta

September 29, 2021

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

Dear Eric Turner,

Our response to the *Quality Management – Conforming Amendments to Other Canadian Standards* Exposure Draft is below.

- 1) Do you agree with the proposed conforming amendments as set out in the Appendices?

Overall, we agree with the conforming amendments set out in the Appendices, however we believe the conforming amendments are not sufficient and additional amendments are necessary. Specifically, either CSQM 1 should be amended or additional amendments should be made to the individual assurance standards, including CSAE 3000, CSAE 3001, CSAE 3410 and CSRE 2400. CSQM 1 as issued, contains numerous references to individual assurance standards, including CAS 220, CAS 300, CAS 600, etc. CAS 220 is the most commonly referenced assurance standard in CSQM 1. These references create inconsistencies in quality requirements between different types of audit engagements, i.e. financial statement audits (CAS) and direct audit engagements (CSAE 3001). Both of these engagements are providing a reasonable level of assurance, an audit. However based on CSQM 1 and the proposed conforming amendments, they may not have the same overall level of quality control.

One example of this is CSQM 1.A13 which states, “*CAS 220.8 provides guidance in applying the definition of engagement team in the context of an audit of financial statements.*” No other application paragraphs in CSQM 1 currently exist for other assurance engagements. This may create confusion for users of standards and those relying on a firm’s assurance report. For example, does this mean CAS 220.8 also applies to the other assurance standards? If the engagement team standards in CAS 220.8 do not apply to CSAE 3001, what application guidance applies? If no application guidance is provided, then the quality standard for CSAE 3001 does not appear to be equivalent to the CAS.

Differential quality control standards are problematic as, while they do not change the requirements of relevant assurance standards (CAS or a CSAE), they imply that compliance with one standard(s) is less important than another. Differential quality control standards based on groups of users is also problematic as it implies that there are favored users. Overall, a commitment to quality is best demonstrated through consistent requirements across all types of audit engagements. This allows users to rely equally across all audit/assurance reports.

2) Are there any other conforming amendments to OCSs that should be made?

As noted above, additional conforming amendments are necessary to establish equal quality control requirements and application guidance across assurance engagements. We note the following CAS 220 (Revised) requirements, including the related application guidance, which should be adopted to other AASB standards:

- Quality leadership (CAS 220 Revised, paragraphs 13-15)
- Engagement resources (CAS 220 Revised, paragraphs 25-28)
- Consultation (CAS 220 Revised, paragraph 35)
- Engagement quality review (CAS 220 Revised, paragraph 36)
- Differences of opinion (CAS 220 Revised, paragraphs 37-38)
- Monitoring and remediation (ISA 220 Revised, paragraph 39)
- Overall responsibility by engagement leader (ISA 220 Revised, paragraphs 33, 34, and 40)

The AASB may identify additional requirements in CAS 220 (Revised) that should also be added to other assurance engagement standards to achieve consistent engagement-level quality requirements.

We also recommend the following editorial changes be made:

- Appendix B, paragraph C12 includes an amendment to the definition of engagement partner. In many public sector jurisdictions, the individual appointed by the firm who is responsible for the engagement and its performance does not have the legal authority to issue the auditor's report. Therefore we propose the additional amendment is made, "*In the public sector, "Engagement partner" should be read as referring to the individual completing the engagement leader responsibilities per the standards when the person appointed by the firm as responsible for the engagement does not have legal authority to issue the auditor's report.*" This amendment should be included throughout the audit and assurance standards.
- The conforming amendments include the following change: "*policies ~~and/or~~ procedures*" in multiple locations. We suggest the amendment be "*policies and/or procedures.*" The amendment is necessary because in many instances it should not be optional for the firm or practitioner to select either a 'policy' or

‘procedure’ to follow but both should be followed. An example of this is Appendix B, 33(c), which amends the CSAE to, “*Reviews being performed in accordance with the firm’s policies or procedures, and reviewing the engagement documentation . . .*” Responsibilities of the engagement partner should be done both in accordance “*with the firm’s policies **and** procedures.*” This is not one or the other. Similar edits should be made to Appendix B A63 (b), Appendix B A147, Appendix D paragraph 3, Appendix D paragraph 19(b), Appendix D paragraph 24 (b), Appendix 2 – Illustration 1 and Appendix 2 – Illustration 2.

- Appendix D, paragraph A25 includes an amendment “*when appropriate, those charged with governance.*” The integrity and ethical values of the client always includes management and those charged with governance. Therefore, the “when appropriate” amendment should be removed. We recognize that management and those charged with governance may at times be the same individual(s), however this does not constitute that the firm should not consider the integrity and ethical values of those charged with governance. In such an instance, this is done congruently with the assessment of management’s ethics and integrity.

3) Do you agree with the proposed effective dates of the conforming amendments?

Based on the above suggested changes, we believe a later effective date than December 15, 2023 is appropriate.

4) Do you believe any of the proposals could create implementation challenges? If so, please explain why, and where additional implementation guidance may be needed.

As noted above, the engagement-level quality control requirements are not consistent across standards. Given quality control requirements are staggered between CSQM 1 and individual assurance standards, such as CAS 220, the AASB now has the ability through this exposure draft to bring all standards to the same overall level of quality control. Without the proposed further amendments, there is a risk of inconsistent application of CSQM 1 and quality control. Unclear guidance may be interpreted differently by individual firms, leading to inconsistent application of the new quality standards across the profession. Some firms may develop a single system of quality management across all assurance engagements. While others may develop different systems of quality management, one for financial statement audits and a second for other assurance/audit engagements. If this were to occur, then users would not have a clear understanding as to which level of quality control they can reasonably expect.

Consistency is an important component of quality and the exposure draft should remove inconsistencies between quality control requirements for engagements of similar level(s) of assurance (i.e. audits/reasonable assurance engagements). Based on the exposure draft in its current form, quality across firms and between different types of audit engagements

may vary, and this inconsistency is not in the public interest and could be an implementation challenge for firms when developing CSQM 1, including conforming amendments to other standards, policies and procedures.

Thank you for the opportunity to comment.

Sincerely,

Colin Semotiuk

Ian Sneddon



September 29, 2021

Mr. Eric Turner, CPA, CA  
Director, Auditing and Assurance Standards  
Auditing and Assurance Standards Board  
277 Wellington Street West  
Toronto ON M5V 3H2

Dear Mr. Turner:

**Re: AASB Exposure Draft: Quality Management – Conforming Amendments to Other Canadian Standards**

We welcome and thank you for the opportunity to comment on the proposed conforming amendments to Other Canadian Standards (OCSs) resulting from the approved Canadian Standard on Quality Management (CSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, CSQM 2, Engagement Quality Reviews, Canadian Auditing Standard (CAS) 220, Quality Management for an Audit of Financial Statements, and related conforming amendments to CASs.

**Overview**

Overall, we agree with the proposed conforming amendments to Other Canadian Standards (OCSs) resulting from CSQM 1, CSQM 2, CAS 220, and related conforming amendments to CASs.

**Specific Questions raised by AASB**

**1. Do you agree with the proposed conforming amendments as set out in the Appendices?**

Yes, we agree with the proposed conforming amendments as set out in the Appendices of the Exposure Draft and don't have any additional comments.

**2. Are there any other conforming amendments to OCSs that should be made?**

No, we are not aware of any necessary additional conforming amendments to OCSs resulting from the approved CSQM 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, CSQM 2, Engagement Quality Reviews, CAS 220, Quality Management for an Audit of Financial Statements, and related conforming amendments to CASs.

---

PricewaterhouseCoopers LLP  
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2  
T: +1 416 863 1133, F: +1 416 365 8215, [www.pwc.com/ca](http://www.pwc.com/ca)

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



**3. Do you agree with the proposed effective dates of the conforming amendments?**

Yes, we agree with the proposed effective dates of the conforming amendments.

**4. Do you believe any of the proposals could create implementation challenges? If so, please explain why, and where additional implementation guidance may be needed.**

No, we do not believe that any of the conforming amendments could create implementation challenges.

We trust that our comments will be helpful to the Board. We would be pleased to discuss them at your convenience. Any questions can be directed to Sophie Gaudreault at [sophie.gaudreault@pwc.com](mailto:sophie.gaudreault@pwc.com) or 416 815 5236.

Yours sincerely,

/s/PricewaterhouseCoopers LLP

**Chartered Professional Accountants**