

The logo for CPASK, with 'CPA' in blue and 'SK' in orange.

CPASK

Focus on FIRMS

The Institute of Chartered Professional Accountants
of Saskatchewan Firm Newsletter | Special Edition

July 2020



CPA

SASKATCHEWAN



Focus FIRMS

The Institute of Chartered Professional Accountants
of Saskatchewan Firm Newsletter | Special Edition

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The theme of this firm newsletter is “The Value of Documentation.” Writing or maintaining all engagement documentation (whether required under a standard or not) is very important when providing services to the public as a CPA. However, finding the right balance to have “good” documentation can be tricky. The documentation has to be drafted so that it can be understood by multiple audiences, updated for changes in client matters or firm processes, and maintained for a reasonable period of time.

The world was changing quickly before the Novel Coronavirus (COVID-19), and now it is even faster and more severe. Good documentation can help you meet the ongoing evolution of professional standards and protect you from liability.

I hope you enjoy this issue, and please let us know if you would like specific articles or topics covered!

Leigha Hubick, CPA, CA

VALUE **PROPOSITION**

QUALITY ASSURANCE IS WORTH THE INVESTMENT

For many organizations, assurance services are a necessary part of business. For some entities, there may even be a statutory requirement to obtain a level of assurance over their reported financial information. However, particularly in the case of small not-for-profit organizations, it is not uncommon to find Boards and management who are cost sensitive.

CPA Saskatchewan occasionally receives questions from organizations on why assurance fees are so high or on whether the organization can use more creative alternatives to meet their assurance needs. These alternatives may include hiring non-CPA firms/individuals or accepting pro-bono assistance from a sympathetic stakeholder. How can organizations be convinced of the benefits of choosing a licensed CPA when they might be presented with alternative options to hire non-licensed, non-CPAs at a lower cost? The provision of assurance services is a highly specialized function within the overall umbrella of accounting services. A licensed CPA must meet rigorous qualification criteria including depth in their education program, maintaining relevant practical experience, and keeping up-to-date on technical competencies.

The Macro View – the Impact of Assurance on our Economy

The pace of change in our world is accelerating. With globalization, increasing complexity of economic transactions, and rapid advances in technology, the level of sophistication in our markets and economy continues to grow. As the complexity of our world increases, the value of trust in the accuracy of the information upon which business decisions are based is rising. High quality assurance over reported financial information provided by an objective, experienced, and qualified CPA plays a crucial role in building and maintaining trust and confidence in reported financial information. In turn, this creates positive economic growth and serves to protect the public interest.

Given the level of reliance placed on financial information by the public and the underlying economic systems, there is an indisputable need to protect the quality of the assurance services used to uphold the public's trust in reported financial information.

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QUALITY ASSURANCE IS WORTH THE INVESTMENT *continued from page 1*

The Micro View – How Does the CPA Profession Protect the Quality of Assurance Services?

Our profession is privileged to have protected the practice of professional accounting within law, giving CPA Saskatchewan the ability to self-regulate the provision of these services to clients in Saskatchewan through a system of firm registration and licensure.

Firm registration with CPA Saskatchewan is required when a member provides either “Other Regulated Services” (defined in Regulatory Bylaw 2.1(bb)) to the public or engages in the “Practice of Professional Accounting.” The Practice of Professional Accounting is a reserved area of practice, meaning there is specific legislation enacted to ensure these services can only be provided by a licensed CPA member through a licensed CPA firm. The Practice of Professional Accounting includes the following engagements under Subsection 18(1) of *The Accounting Profession Act*:

- Audit engagements
- Other assurance engagements, including reviews
- Providing financial reporting advice which references the CPA Canada Handbook.

A member requires a licence when they are a practice leader signing or issuing assurance reports on behalf of a firm. Firms with at least one member practicing professional accounting must also be licensed.

The following flowchart best illustrates the requirements for firm registration and licensure.

Ultimately, whether an individual or firm is providing assurance services to one client or many clients, they are engaged in the practice of professional accounting. Even if the member or firm provides assurance services on a pro-bono basis or as a personal favour to a friend or an organization they are a part of, licensing is required.



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QUALITY ASSURANCE IS WORTH THE INVESTMENT *continued from page 2*

What is the Value of a Licensed CPA?

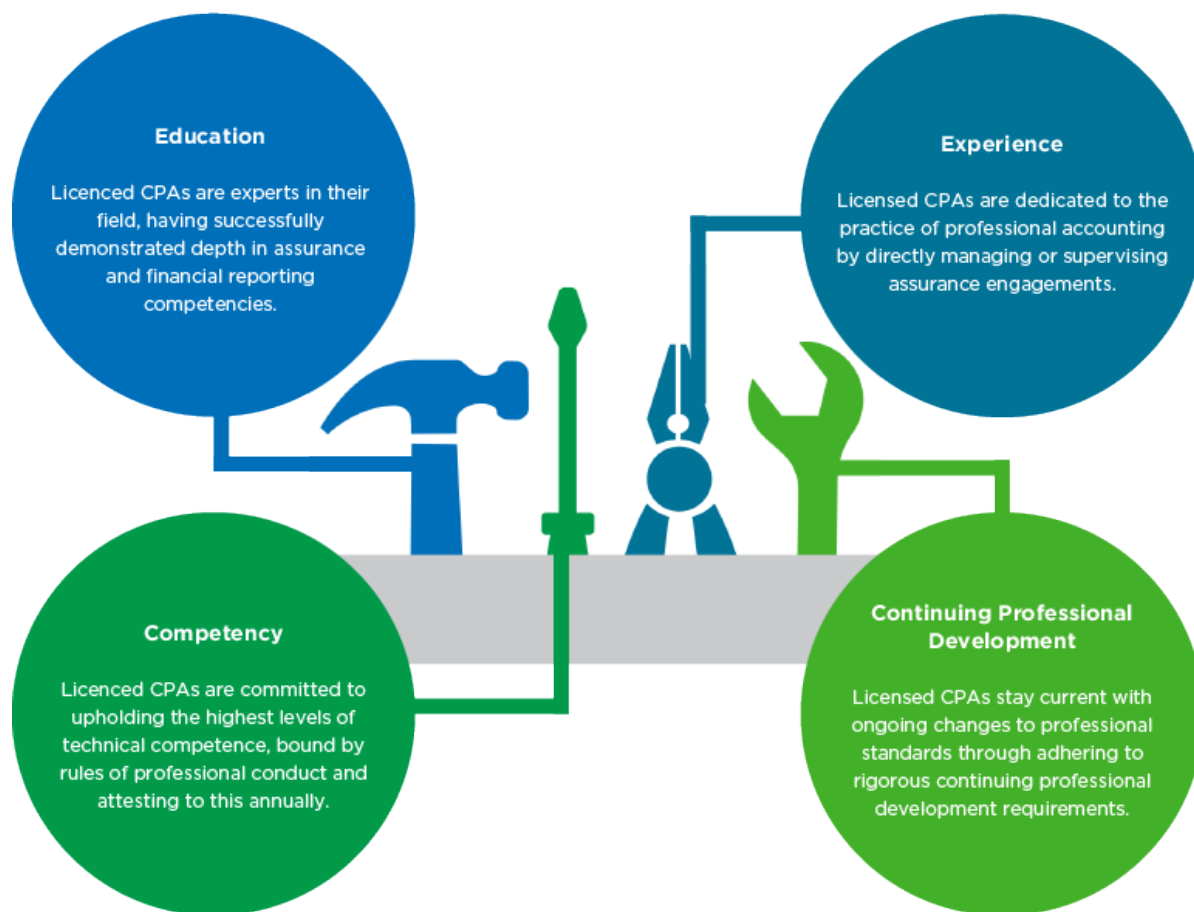
Under Regulatory Bylaw 16.12, only licensed members and firms may use the term “Licensed Professional Accountant” when signing assurance reports issued under the name of the licensed firm.

A licensed CPA comes fully equipped with a powerful toolbox used to execute high-quality assurance work.

registration. This has a significant impact if a CPA makes a mistake in their work and is sued for negligence. Without insurance, any court awards would need to be borne out of the individual’s own pocket.

Licensed CPAs are Worth the Investment

The level of quality in assurance services is directly correlated with the degree of confidence the public is



Not only are licensed CPAs experts in the provision of assurance services, they also have the tools to provide value-added services to their clients through recommendations for process improvements or suggestions to increase the efficiency and effectiveness of operations. Clients of licensed CPAs have access to their full toolkit, benefiting from the unique perspective of these highly qualified professionals.

Within CPA Saskatchewan’s mandate to protect the public, unlicensed practice is taken very seriously. When an unlicensed, unauthorized individual or firm provides assurance services, there is significant exposure to the public. One of the most important public protections is professional liability insurance coverage, which is a requirement of firm

able to place on reported financial information. Through legislating and regulating the provision of assurance services through licensed CPA members and firms, the public gains the confidence they need to make informed decisions for the betterment of our economy and society as a whole. When considering the importance of the public trust that is placed on assurance services, the value of a licensed CPA far outweighs the investment in annual assurance engagement fees.

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CLIENT BRIEF TEMPLATE

Instructions for Firms: we have designed the following template as a one-page document to help you communicate the value of a licensed CPA to your clients. Copy the template onto your letterhead and customize it with your firm's information, as needed.

As professionals, the CPA(s) at [INSERT FIRM NAME] belong to the Institute of Chartered Professional Accountants of Saskatchewan (CPA Saskatchewan), a self-regulated professional body which has the mandate to promote and protect the public interest.

Protecting the Public Interest

CPAs must adhere to the [*Rules of Professional Conduct*](#), which set the ethical and professional standards of conduct. Licensed members of the profession take these responsibilities seriously and hold each other accountable to ensure that your trust in the assurance services we provide is not misplaced.

The practice of professional accounting is a reserved area of practice within the *Accounting Profession Act*, allowing CPA Saskatchewan to enforce cease-and-desist processes against individuals or firms who issue an assurance report without proper licensure. In so doing, the profession ensures that only individuals and firms licensed to perform assurance work, and who meet the high qualification and professional conduct standards of the profession, can perform this work.

The High Qualification Standards of Licensed CPAs and Licensed Firms

The knowledge standard required to earn the CPA designation enhances public protection by developing professionals who have the in-depth knowledge necessary to perform high-quality work. To earn and maintain the CPA designation, a CPA must:

- obtain a university degree or a minimum of 8 years of relevant professional experience before entering the CPA Certification Program,
- complete subject-specific prerequisite learning,
- pass all modules of the graduate-level CPA Professional Education Program,
- pass the demanding Common Final Examination,
- complete at least 30 months of qualifying work experience under the mentorship of a CPA, and
- for their entire career as a CPA, undertake a minimum of 120 hours of continuing professional development training every three years, including a minimum of 4 hours of ethics training.

Not all CPAs can perform assurance work, however. Only CPAs who meet the public accounting licensing requirements mandated by CPA Saskatchewan can call themselves Licensed Professional Accountants. In addition to the above, a Licensed CPA must:

- specialize in the assurance and financial reporting competency areas,
- complete their qualifying term of practical experience in assurance and meet the minimum chargeable hours requirements while working on assurance engagements, and
- stay current with ongoing changes to professional standards through adhering to rigorous continuing professional development requirements.

As a licensed firm registered with CPA Saskatchewan, [INSERT FIRM NAME] can assure you that I/we comply with the regulatory and ethical requirements of CPA Saskatchewan. You can trust the integrity of [INSERT FIRM NAME] and the quality of the services I/we provide. If you would like to verify [INSERT FIRM NAME]'s status as a licensed firm registered with CPA Saskatchewan, you may contact CPA Saskatchewan at 306-359-0272.

If you have questions about the services that [INSERT FIRM NAME] can provide to you or would like more information about our firm's qualifications, please feel free to contact me/us at [INSERT FIRM CONTACT].

IFAC COVID-19 AUDIT WEBINARS

IFAC invites you to participate in its [weekly webinar series](#), 'Practical Audit Quality Considerations for Auditing in the Pandemic Environment - Planning, Execution, Auditor Reporting and Looking Ahead' starting on Thursday July 9.

STANDARDS **UPDATES**

COMPILATION ENGAGEMENTS STANDARDS UPDATE


At this time there are no licensing requirements for members signing Compilation Engagement Reports under CSRS 4200.

Please note that the CPA Saskatchewan Rules Committee recently approved project scope related to the change in standard from Section 9200 to CSRS 4200.

It is our interpretation that the new compilation engagement report's connection to the professional standards within the CPA Canada Handbook and relevant ethical requirements of practitioners will require licensing of CPAs who provide that professional service. There is a linkage between the new compilation engagement report in CSRS 4200 and The Act that did not exist under the prior standard. An individual performing professional accounting must be a Licensed CPA.


The differences in the standard will affect a change in regulation for CPAs and non-CPAs. Non-CPAs who sign the new compilation engagement report may be subject to a cease and desist order issued by CPA Saskatchewan. Non-CPAs who continue to use the pre-existing Notice to Reader report would not be subject to a cease and desist. However, it is unclear how many lenders or third party users of those reports will continue to accept this reporting.

During the project approved by the Rules Committee, member consultation is scheduled. Please stay tuned for more information.



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PROFESSIONAL
ACCOUNTANTS

DOCUMENT, DOCUMENT, DOCUMENT – IMMUNIZING AGAINST LITIGATION



Written by T. Ryan Darby
Whitelaw Twining Law Corporation

Litigation is not pleasant and takes up valuable time and emotional energy. It can be avoided or minimized through proper documentation. This can be done quickly and efficiently using available technology and file handling tools. Further, it can increase the quality of the work product and provide continuity and added value for longstanding client relationships.

Ambiguity is the assault weapon of choice for litigators. Faulty memory and the lack of clarity in written communications creates the ambiguity that draws out cases and calls for more involvement from the professional

involved. Drawing out cases may enrich lawyers and help them send their children to college, but it drains resources and opportunities from the accountant. Documentation in advance can contain the nature of the case.

Memory is an amorphous thing. Think about a memorable event that happened in the past with a friend that was there and see what they recall and you recall. Although both are being truthful about the recollection, there can be great variation in what each person recalls and interprets. A study where participants had to write down their recollections of an event at various times afterwards showed that as time

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DOCUMENT, DOCUMENT, DOCUMENT *continued from page 6*

went on, the memories changed dramatically from what was documented immediately after the event. Since a lawsuit often involves matters that happened years ago, the quality and reliability of evidence from human memory pales in comparison to clear documentation made at the relevant time.

In professional liability cases, the professional is at a distinct disadvantage when it comes to memory. The professional deals with many clients with similar issues. In fairness, the professional often does the work, then moves to the next matter without impressing their long-term memory. However, the client only deals with one professional on their own discrete matters. That typically results in the client putting forth a distinct recollection which may be seen by a judge as a more complete, fulsome, and reliable version of events. A well-documented file reverses the advantage.

Without documentation, cases come down to an assessment of credibility – whose version does the judge believe? In order to test credibility, lawyers use examination for discovery to challenge and, if successful, to break a witness's credibility. If a matter is not well documented, the usual tactic is to take a long time to draw out as much detail as possible. Those details may create inconsistencies with either commonsense or logic in the evidence of independent witnesses.

What that means for the professional is a long few days as the lawyer tries to get them ready for the various questions that may be posed in an examination for discovery and how to answer them. This is followed by one or two days that will feel even longer as the professional is questioned for multiple hours consecutively a day. It is both mentally and physically tiring.

What a credibility case means for a lawyer is that their ability to predict the outcome is more difficult and there is a greater cost to settling the case because of the credibility risk.

But, with a well-documented file, the legal team is able to work with the professional and their insurer in attempting to resolve the matter early, often before examinations for discovery and without a credibility risk premium.

Cases typically come down to the documents. Each party has to produce all documents that will either prove or disprove that party's case or relate to the opposing party's case as defined by the issues raised in the pleadings. Often lawyers get a very clear sense of the case when all of the documents are produced and reviewed. If the professional's documents are clear and well set out, the credibility issues should fade and the disputes about what happened should be reduced. A clear set of facts leads to clear risk analysis and decision making, not to mention a more controlled case.

So what can the professional do?

Document the nature of your relationship and what you will and will not be doing in a precise letter of engagement. Update and ensure that the engagement letter reflects the current relationship and nature of the work to be done. Seek legal advice on limitation of liability clauses to reduce legal exposure depending on the nature of the work to be done. There is an ability to limit how long a claim can be made and the amount of damage, and to specify that claims may only be made against the firm and not the professional individually.

Document your controls and processes as the services are performed. Confirm requests and receipt of documents in writing. As you work through the materials and come upon something unusual, make a fulsome electronic note. Too often, after the work is long done, various notes and comments in working papers become cryptic and vague even to the author. Read each note as if someone else must rely upon it. If it is odd or unusual, take the time to prepare a detailed memo and return to it soon thereafter to ensure it is complete. Do a quick review of the notes and memos at the end of the engagement to see if they are still relevant.

Document your discussions and opinions with your clients. Cases against accountants typically arise in the provision of tax services or matters that are somewhat different and out of the ordinary. Even if you provide “free” off the cuff advice, the professional can still be sued for that advice. It is very important that the limits and qualifications on that advice be set out, as well as the context of advice. For discussions with clients, I recommend that you draft an agenda into an email and add notes into that email as conversations are held. On subsequent review, look to fill in any gaps in the details. Alternatively, take advantage of a smartphone's dictation function and dictate an email after the conversation. You then have a contemporaneous record of what each party has said that can be provided to the client in the form of an update or report. Additional work may be generated, so be sure to modify the engagement letter. Similarly, with a tax opinion, use a checklist as a record of the discussions of the risks and rewards of the planning strategy. The record of all dealings with the client will be clear for further work on the matter or, worst case, to minimize the effects of a lawsuit.

So please **Document, Document, Document** and minimize the side effects of potential litigation.

Should you have any questions or require further information, please contact us.

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DUE DILIGENCE: QUESTIONS TO CONSIDER ASKING BEFORE HIRING AN EXTERNAL MONITOR



The requirements for cyclical monitoring of a selection of at least one engagement for each engagement partner are set out in paragraph 48 of the *Canadian Standards on Quality Control, CSQC1*. Application guidance A68 indicates that a firm with a limited number of persons may choose to use a suitably qualified external person or another firm to carry out engagement inspections and other monitoring procedures. The question CPA Saskatchewan receives is: **what are suitable qualifications of an external monitor?** Overall, this assessment is made by the firm on a case-by-case basis. However, below is some guidance on possible questions to ask about an external monitor's qualifications.

Once you have reached out to your contacts and colleagues and have found an interested member, the first step that we recommend is to check that the member is in good standing with CPA Saskatchewan through our ['Find A CPA'](#) feature online. Then, check that the member is employed at an active, registered firm in good standing in our [firm list](#).

Some questions that you may consider asking the external monitor **prior** to obtaining their services:

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QUALIFICATIONS OF EXTERNAL MONITORS *continued from page 8*

Are you licensed to carry out professional accounting in Saskatchewan? If so, what type of licence do you hold (comprehensive or specified)? Is, or has, your licence been restricted?

The standards and our legislation do not require the member to be licensed to carry out monitoring activities for your firm. However, to comply with the requirement to be suitably qualified under CSQC1, the member should be in a senior position within their firm and have relevant practical experience and competencies to carry out monitoring. If they are unlicensed, would they qualify for a licence if they applied?

What areas and frameworks do you practice in?

While not required, the expectation is for the monitor to have similar engagements to your own to provide optimal services to your firm. For example, a member may not be considered suitably qualified for your firm's external monitor if, for example, they practice solely in municipal audits under PSAB and your clients are small private business review engagements under ASPE.

What tools will be used by the external monitor?

Will the external monitor use pre-established checklists (for example, those published by CPA Canada with the Quality Assurance Manual) or their own internally developed tools? If they have developed their own tools and checklists, you should consider requesting a copy to review for coverage of professional standards.

What were your last practice inspection results? Was your firm or is your firm subject to reinspection?

While a reinspection does not preclude a member or firm from providing external monitoring services, you may want to ask for a copy of the inspection report to assess whether the firm has the knowledge and relevant competencies to carry out your external monitoring. You may also want to consider whether the monitor has the capacity to carry out your monitoring appropriately if they are subject to reinspection and may be focused on implementing methodology changes within their own firm.

Does the member or firm carry out external monitoring for any other firms?

If yes, you may want to ask if you can contact the other firms to obtain a reference.

If your firm has not undergone an external cyclical monitoring process before, you may be wondering what you can expect of the overall process.

The external monitor will work with you to establish a number of engagement files that reflect your firm factors such as client size, complexity, risk and nature of services provided. As noted above, the minimum requirement is for one completed engagement per partner to be completed; however, you may wish to extend the scope of review to get the most value out of the process.

For example, the monitor will be looking for the following, which is not an exhaustive list.

- Required documentation throughout the file, including signed engagement letters, management representation letters, and key engagement correspondence items
- Within planning the engagement, an assessment of independence, assessment of risks or areas where material misstatement is likely to arise (AMMLA), etc.
- Documentation of procedures carried out to address risks or AMMLA
- General organization of the file and evidence that the firm's quality policies and procedures were complied with throughout the file

The procedures completed by an external file monitor are different than those steps carried out by an engagement quality control reviewer (EQCR); therefore, the work done under an EQCR cannot be relied upon by the file monitor. The engagement quality control reviewer cannot also act as the firm's external file monitor (as set out in CSQC1, para 48), so the firm may be required to find two external individuals to carry out these functions separately.

If you have questions on the monitoring process, please email us at monitoring@cpask.ca.



AUDIT STANDARDS – THE LANDSCAPE HAS CHANGED



Written by Adynea Russell,
FCPA, FCA
Vice-Chair of the Professional
Practice Committee

The old adage “the more things change the more they stay the same” does not necessarily apply to everything. Auditing standards have definitely become more robust in the last number of years. While the concept of auditing has remained the same, the standards have changed significantly. Canadian Auditing Standards (‘CAS’) came into effect for audits of financial statements for periods ending on or after December 14, 2010. Since then CAS is continually being updated and additional CAS standards continue to be released.

When CAS came into effect, it was more than changing the name from Generally Accepted Auditing Standards to Canadian Auditing Standards. CAS is based on International Standards on Auditing and has been adopted to provide more clarity on auditing standards. CAS is a more robust set of auditing standards and provides more guidance on the auditor’s overall responsibilities when auditing financial statements. The responsibility of an auditor has expanded and there are greater expectations of an auditor.

The amount of changes in the handbooks between accounting and assurance have been significant over the past 10 to 15 years. The adoption of IFRS and CAS were both significant changes. Those changes can be overwhelming

but as CPAs in public practice, it is our professional duty to ensure we continually stay up to date. As auditors, the users of the financial statements rely on us to provide an opinion on whether a set of financial statements as a whole are free from material misstatement, in all material respects in accordance with the generally accepted accounting standards, whether that be IFRS, ASPE or PSA. There is an expectation that we fully understand and know CAS and that we are auditing in accordance with CAS. In addition, the rules of professional conduct/code of ethics of the CPA profession require that each of us engaged in the practice of public accounting perform our professional services in accordance with the standards and guidance in the CPA Canada Handbooks which CAS is part of.

Under CAS, there is more guidance on assessing risks, fraud, internal controls, understanding the client, journal entries, and so on. With more guidance comes higher expectations, especially when it comes to documentation. Too often practitioners get caught not documenting enough in their audit files. CAS lays out what needs to be considered, and it is up to the practitioner to document their consideration of what is in the standards. However, to know what needs to be documented, you need to know the standards.

It is not easy staying up to date with all the changes that are happening. Then you add COVID-19 into the mix, and there are even more things to consider. CPA Saskatchewan has professional development courses available to assist each of us with updating and maintaining our knowledge. We are all busy people and our focus is on our clients, but in order to provide the high level of service that is expected of a CPA in public practice, each of us has an onus to ensure we stay up to date and informed on the CAS standards. As we consider our professional development plans for the year, ensure to incorporate appropriate audit-related courses so you are up to date and informed.

ASSISTING WITH COVID-19 GOVERNMENT SUBSIDY APPLICATIONS

WHAT ARE YOUR PROFESSIONAL OBLIGATIONS?

As a CPA, you may be asked to assess your employer's or clients' eligibility or to prepare application forms for government programs which assist organizations and individuals through the COVID-19 crisis. When providing such assistance, you must always be mindful of the following Rules of Professional Conduct:

Bylaw 200.1(a) and Rule 202.1 – Integrity

CPAs are required to perform professional services with integrity. This includes being straightforward and honest, dealing fairly in all professional relationships, and acting carefully and thoroughly. You may need to educate your employer or clients regarding the nature of these government programs and the related tax treatment to avoid cash flow difficulties down the road.

Bylaw 200.1(b) and Rule 202.2 – Objectivity

CPAs must not allow their professional or business judgment to be compromised by bias, conflict of interest, or the undue influence of others. As an entity's eligibility for COVID-19-related programs might rely on revenue reductions or other thresholds, it is crucial that you be careful not to allow clients or employers to unduly influence your professional judgement.

Bylaw 200.1(c) and Rule 203.1 – Professional Competence and Due Care

As a CPA, you are required to sustain professional competence by staying up to date on, and complying with, current applicable standards, laws, and regulations in all functions in which you practice or are relied upon. CPAs must not hold themselves out as more skilled or competent than they are. If you find yourself in a situation outside your area of expertise, please refer the matter to another CPA. Be mindful of Rules 215 through 217 when making referrals.

Bylaw 200.1(d) and Rules 208.1-3 – Confidentiality

CPAs must not disclose confidential information concerning the affairs of any client, former client, employer or former employer or use confidential information obtained during the course of professional work for such client or employer without their knowledge and consent.

Rule 205 – Avoiding false or misleading documents and oral representations

You may be asked to prepare letters, reports, statements, representations, or financial statements to assist your employer or clients with COVID-19-related government programs. When doing so, you must remember not to sign, prepare, produce or even associate your name with any letter, attestation, opinion, report, statement, representation, financial statement or other document which you know or should know contains false or misleading information out of complacency or without ensuring that such documents are in compliance with good practices or current scientific knowledge.

Conclusion

COVID-19 government-related benefits and programs can greatly assist employers and clients in this time of financial crisis. However, you must apply professional skepticism and maintain CPA ethical standards when assisting with them. CPAs are obligated to act at all times in a manner which maintains the good reputation of the profession and its ability to serve the public interest.

For additional information on your professional obligations with respect to ethical conduct, review the [CPA Saskatchewan Rules of Professional Conduct](#).

AUDIT DOCUMENTATION IN THE ERA OF COVID-19



The COVID-19 pandemic and the associated economic downturn is having significant effects on many organizations. It is unknown for how long these impacts may last, and this has presented some unique challenges for audits. In navigating these challenges, auditors must keep in mind their requirements with respect to audit documentation. The importance of appropriately and thoroughly documenting all phases of the audit has, in recent years, never been greater.

Your Responsibilities with Respect to Audit Documentation

Audit documentation is defined as the record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached. This audit documentation provides evidence of the auditor's basis for a conclusion about the achievement of the overall objectives of the auditor and must meet the requirements of Canadian Auditing Standard (CAS) 230 as well as the specific requirements of other relevant CAS. In addition, laws or regulation may establish additional documentation requirements, and the auditor is responsible for these as well.

The auditor has a responsibility to prepare audit documentation for an audit of financial statements which provides the following, in a manner in which an experienced CPA is able to understand the audit procedures completed and conclusions reached:

- (a) A sufficient and appropriate record of the basis for the auditor's report; and
- (b) Evidence that the audit was planned and performed in accordance with CASs and applicable legal and regulatory requirements.

For more information, see CAS 230, *Audit Documentation*.

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Audit Planning

In assessing risk and planning the audit approach, auditors should document that they have considered (among other things) the following:

- Whether layoffs or remote work has changed, reduced, or eliminated internal controls, such as the segregation of duties and information technology controls—auditors must assess whether there is an increased opportunity for fraud or likelihood of error within the entity
- The potential for an increased number of fraud risk factors due to changing conditions
- Potential for increased susceptibility to digital access, privacy, or data storage breaches due to remote working arrangements
- The need for more persuasive audit evidence as risk increases
- The requirement to use professional skepticism with respect to:
 - the relevance and reliability of audit evidence in historically routine areas of the audit such as agreeing to source documents, obtaining confirmations from third parties, and attending inventory counts,
 - events or conditions casting doubt about an entity as a going concern,
 - uncertainty relating to accounting estimates, and
 - the nature and extent of financial statement disclosures as a result of COVID-19.
- Whether the audit strategy needs to change because of the current environment.

For more information:

- CAS 315, *Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment*
- CAS 200, *Overall Objectives of the Independent Auditor and the Conduct of An Audit in Accordance with Canadian Auditing Standards*
- CAS 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

Audit Evidence & Professional Judgement

Audit evidence is the information used by the auditor in arriving at the conclusions on which the auditor's opinion is based. However, COVID-19 is changing the nature of audit evidence to support the performance of audits in the current environment. Auditors should maintain an appropriate level of professional skepticism when evaluating the quality of audit evidence – especially in receipt of electronic records and other supporting documentation.

Audit managers may consider responding to the increased need for professional judgement in all aspects of the audit by increasing their supervision and review, including the documentation of such. When professional judgement is applied, the decision-making process and rationale should always be documented.

An inability for an auditor to obtain sufficient appropriate evidence could lead to modification of the auditor's opinion.

For more information:

- CAS 500, *Audit Evidence*
- CAS 501, *Audit Evidence – Specific Considerations for Specific Items*
- CAS 505, *External Confirmations*
- CAS 200, *Overall Objectives of The Independent Auditor and The Conduct of an Audit in Accordance with Canadian Auditing Standards*
- CAS 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*

Audit Objectives

While not required, using standardized checklists assist auditors with meeting various documentation requirements included under CAS, including documenting individual objectives that were achieved or were not achieved as support for the evaluation of whether the accumulation of failures to achieve certain objectives prevented the auditor from achieving their overall objectives.

Conclusion

In the era of COVID-19, the need to maintain professional skepticism, apply professional judgement, and thoroughly document audit processes and decision-making is higher than ever.

For more information on audit considerations resulting from COVID-19 see [CPA Canada's COVID-19 Resources Related to Reporting and Audit](#).

2020/21 CPA SK PROFESSIONAL DEVELOPMENT COURSES

CPA Saskatchewan's PD line-up has gone virtual. Courses are regularly being added to the 2020/21 PD offerings.

Check out the [CPA SK Calendar](#) on our webpage for live July and August PD offerings. There are also a number of on-demand options that you can find through the [Professional Development webpage](#).

CPA Saskatchewan is also planning to offer some half-day in-person courses in the fall. Stay tuned.

SAMPLE OF NEW COURSES BEING PLANNED FOR FALL 2020*

- Compilation Engagements – Overview of the New Standard (CSRS 4200)
- Compilation Engagements – Application of the New CSRE 4200
- Income Tax – Principal Residences
- PST – Review of Jurisdictional Sales Tax

**Offering subject to Instructor availability*

For registration inquiries contact [Rhonda Day](#), (306) 337-2836. For course content inquiries contact [Shelley Lukasewich, CPA, CGA](#) (306) 337-2841.

SHARE YOUR **VIEWS**

VIRTUAL ROUNDTABLES DISCUSSIONS

The Auditing and Assurance Standards Board (AASB) want to hear your views on the proposed changes to CAS 600, Special Considerations – Auditing Group Financial Statements (Including the Work of Component Auditors). Register for one of the roundtables, taking place in July and August, to share your feedback on this standard.

[Click here](#) for more information and to register for one of the sessions today!



Are you looking for your next professional opportunity?

Check our website for positions for CPAs & Candidates.

www.cpask.ca/member/professional-opportunities/careers

REGULATORY NOTICES RELATING TO LICENSING

CPA Saskatchewan publishes licence cancellations (either voluntary through the renewal process or through non-compliance with regulatory requirements) and licence restrictions as part of its obligations under Bylaw 34.2.

This information is made available to the public, including through this firm newsletter, so that the public is aware of members and firms who are no longer authorized to practice professional accounting or have restrictions on their ability to practice professional accounting in Saskatchewan.

Restrictions may be imposed temporarily until conditions of the restriction are satisfied or they may be imposed permanently (e.g. not authorized to practice any audit engagements). A restriction may be removed upon request by the member. The applicable regulatory committee approves this request.

For any questions or concerns about licensing or the licensing status of a member, please contact licensing@cpask.ca.

Please note, it is important to report information about an unlicensed member or non-member practicing professional accounting in Saskatchewan to us!

Licence cancellations through voluntary expiry

Voluntary renewal expiry effective December 31, 2019

Aaron Koch CPA, CA
Alan Sklapsky CPA, CA
Benita McMillan CPA, CA
Brian Drayton FCPA, FCA
Darin Gervais CPA, CMA
Ed Senger CPA, CMA
Fayaz Shah CPA, CGA
Graham Holm CPA, CA
Jayme Nelson CPA, CA, CPA (IL)
Karen Ingram CPA, CMA
Loren Vargo CPA, CMA
Lou Beatch CPA, CMA, CA
Michael Boucher CPA, CA
Michael Tornopolski CPA, CA
Ryan Sutherland CPA, CA
Samuel McNaughton CPA, CA
Wayne Storozuk, CPA, CA

Licence cancellations

Voluntary cancellation effective July 31, 2019

Gary Vidal, CPA, CGA

Voluntary cancellation effective October 11, 2019

Leigha Hubick, CPA, CA



CPA Saskatchewan Focus on Firms

Call for Authors

If you would like to author an article for a future version of this newsletter, we would be happy to hear from you.

Contact monitoring@cpask.ca



The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF CANCELLATION OF REGISTRATION AS A FIRM

On April 23, 2020, a discipline hearing panel of the Discipline Committee of the Institute of Chartered Professional Accountants of Saskatchewan approved the cancellation of registration of the following firm:

VIBRANT ACCOUNTING SOLUTIONS LTD.

The registration of this suspended firm has been cancelled pursuant to Regulatory Bylaw 33.5 due to non-compliance with the Rule underlying its suspension for a period in excess of one (1) year.

Having been cancelled, this firm shall not use either the title 'professional accountant', the professional designations 'Chartered Professional Accountant' or 'Certified Management Accountant', or the initials 'CPA' or 'CMA' in Saskatchewan.

Authorized by:
Leigha Hubick, CPA, CA
Registrar

April 30, 2020



The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF EXPULSION

On April 23, 2020 a discipline hearing panel of the Discipline Committee of the Institute of Chartered Professional Accountants of Saskatchewan ordered the expulsion of the following restricted member resulting in cancellation of her member registration:

LORETTE M. VIBAR

Having been expelled, this individual shall not use either the title 'professional accountant' or the professional designations 'Chartered Professional Accountant' or 'Certified Management Accountant', or the initials 'CPA' or 'CMA' in Saskatchewan.

Authorized by:
Leigha Hubick, CPA, CA
Registrar

April 30, 2020



The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF FIRM LICENCE RESTRICTION

On April 1, 2020, the Professional Practice Committee of the Institute of Chartered Professional Accountants of Saskatchewan approved a licence restriction of the following firm:

BJORN SIGURDSON CPA PROF. CORP.

The licence of this firm has been restricted such that the firm is not permitted to issue an audit engagement report in Saskatchewan after the date noted above.

Authorized by:
Leigha Hubick, CPA, CA
Registrar

May 12, 2020



The Institute of Chartered Professional Accountants of Saskatchewan

NOTICE OF MEMBER LICENCE RESTRICTION

On April 1, 2020, the Professional Practice Committee of the Institute of Chartered Professional Accountants of Saskatchewan approved a licence restriction of the following member:

BJORN SIGURDSON, CPA, CA

The licence of this member has been restricted such that the member is not permitted to issue an audit engagement report in Saskatchewan after the date noted above.

Authorized by:
Leigha Hubick, CPA, CA
Registrar

May 12, 2020



CPA

SASKATCHEWAN