

June 26, 2019

Mr. Ken Siong
Senior Technical Director
International Ethics Standards Board for Accountants
529 Fifth Avenue
New York, NY 10017 USA

Dear Mr. Siong:

Re: March 2019 Exposure Draft, *Proposed Revisions to Part 4B of the Code to Reflect Terms and Concepts Used in ISAE 3000 (Revised)*

I am writing on behalf of the Public Trust Committee (PTC) of the Chartered Professional Accountants of Canada (CPA Canada) in response to your request to comment on the Exposure Draft entitled *Proposed Revisions to Part 4B of the Code to Reflect Terms and Concepts Used in ISAE 3000 (Revised)* (“the Exposure Draft”).

CPA Canada is the national body of Canada’s accounting profession, with more than 217,000 members both at home and abroad. It conducts research into current business issues and supports the setting of accounting, auditing and assurance standards for business, not-for-profit organizations and government. CPA Canada issues guidance on control and governance, publishes professional literature, develops continuing education programs and represents the Canadian CPA profession nationally and internationally.

The PTC is responsible for overseeing the regulatory structures and processes across provincial jurisdictions in Canada. The PTC’s goals include achieving consistency between the provincial CPA bodies in Canada and ensuring that the processes and standards in Canada meet or exceed the international standards.

Generally, as provided below, we are supportive of the proposals as presented in the Exposure Draft and we believe that the coordination efforts undertaken by IESBA with representatives of the IAASB have benefitted the Exposure Draft process and proposed revisions. The terms and concepts included in ISAE 3000 (Revised) require careful consideration and we believe that the proposed revisions in the Exposure Draft have appropriately reflected the relevant changes.

Please find below our responses to the requested matters for input from Respondents as outlined in the Explanatory Memorandum’s Guide for Respondents.

Request for Specific Comments:

1. *Do you believe that the changes in the key terminology used in the Exposure Draft, including the definition of ‘assurance client’, are clear and appropriate for use in Part 4B?*

We agree that the changes in the key terminology used in the Exposure Draft, including the definition of ‘assurance client’, are clear and appropriate for use in Part 4B. We believe the changes are necessary and align well to the changes made in ISAE 3000 (Revised).

2. *Do you have any comments on the application of the IESBA’s proposals to the detailed independence requirements and application material as explained above and summarized in the appendix?*

We are supportive of the application of the IESBA’s proposals to the detailed independence requirements and application material as explained in the Explanatory Memorandum and summarized in the appendix.

3. *Do you have any comments on the other proposed changes, including on the consistency of terms and concepts in Part 4B in relation to the text of ISAE 3000 (Revised)? If so, please specify the area of inconsistency and suggest alternative wording.*

In reviewing Section 900.1, we identified two matters for potential improvement as follows:

- It is indicated that the Part applies to assurance engagements **other than audits** and review engagements and provides as an example of such engagements **an audit** of specific elements, accounts or items of a financial statement. We believe this may be confusing for the user and that it could be improved by stating “The Part applies to assurance engagements other than audit and review engagements *as defined in the Code*”.
- The examples of assurance engagements refer to “company” in several instances and we believe that “entity” or “organization” would be broader and more inclusive when the user considers the applicability of the Part to engagements for various sectors.

4. *Are there any other matters that you consider should be addressed with respect to the alignment with ISAE 3000 (Revised) in Part 4B or in other material, for example in an IESBA Staff publication? If so, please provide a sufficient explanation, including practical examples of the matter where available.*

In preparing to respond to this Exposure Draft, we consulted with the provincial CPA bodies. Some feedback received expressed the general observation that the terms and concepts are particularly precise and that the definitions must be frequently referred to because of the similarity of terms used (e.g., the subject matter information and underlying subject matter). It was also noted that the differences between assurance in 4A and 4B and as it relates to ISAE 3000 are very technical. While acknowledging that assurance engagements and independence standards are technical by their very nature, the issue was raised of explaining such matters to educate users and the public. It was suggested that tools such as flowcharts that could help portray and reinforce the information in a different format may be very useful.

5. *Do you agree with the proposed effective date? If not, please indicate why not and explain your reasoning.*

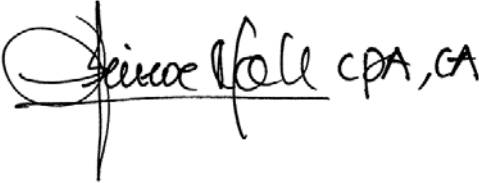
We agree with the proposed effective date.

6. *Any other comments?*

We have no other comments.

We thank you for the opportunity to comment on this Exposure Draft and we appreciate that further revisions to these proposals may result through the feedback provided by stakeholders.

Yours truly,



Geneviève Mottard, CPA, CA
Chair, Public Trust Committee