



CANADIAN PUBLIC ACCOUNTABILITY BOARD
CONSEIL CANADIEN SUR LA REDDITION DE COMPTES

November 1, 2018

Prof Arnold Schilder
International Auditing and Assurance Standards Board (IAASB)
Submitted electronically

Re: Comments on the exposure draft on the proposed International Standard on Auditing 315 (Revised)

The Canadian Public Accountability Board (CPAB) is pleased to respond to the exposure draft on the proposed International Standard on Auditing 315 (Revised).

CPAB is Canada's independent audit regulator responsible for overseeing firms that audit Canadian reporting issuers. Our mandate is to promote high quality, independent auditing that contributes to public confidence in the integrity of reporting issuers' financial reporting.

We are supportive of the need to enhance risk assessment procedures performed by auditors.

The Canadian Public Accountability Board has reviewed the exposure draft and has shared comments with other regulators through IFIAR. In addition to the topics covered in the IFIAR response, we would also like to highlight one additional item.

Scalability

The application guidance to the proposed standard provides for a scaled down risk assessment to be performed for smaller and less complex entities. Paragraph 13 also emphasizes this approach could be applicable to the audits of larger and less complex entities.

In Canada CPAB is focused on ensuring a consistent level of audit quality across the audit of all reporting issuers in Canada. We are concerned that an approach to have a scaled down risk assessment process for certain audits could lead to a significant difference in the audit quality between different size entities having a negative impact on the public interest.

At a minimum, we suggest a clarification be added to the final standard that a scaled back approach to risk assessment would not be applicable to listed companies and other entities that have a significant public interest, regardless of whether the entity is not considered to be complex.

We appreciate the opportunity to provide input on the exposure draft and would be pleased to discuss any of the above comments in more detail.

If you have any questions on this, please do not hesitate to contact me.

Yours very truly,

A handwritten signature in cursive script that reads "Carol Paradine".

Carol Paradine, CPA, CA
Chief Executive Officer