

A message from the Canadian Public Accountability Board (CPAB): COVID-19 audit implications

The Covid-19 pandemic is having an extraordinary impact on employees and their families, the economy, mobility and worldwide financial systems. CPAB acknowledges the implications on Canadian public company audits, that the situation is highly fluid, and that new issues and risks will emerge.

Most public accounting firms we have spoken with have implemented business continuity measures in order to continue to assist Canadian reporting issuers in meeting their securities filings obligations. In some cases, firms have been unable to complete component audits in foreign locations where prohibitions on entering reporting issuer premises restrict the ability to see original source documents and where some staff are not available. It is likely that auditors may encounter scope limitations or complex auditing and accounting issues during this time.

It is important that the quality of audits is not compromised by these challenges, and that care is taken by auditors to properly assess the accounting and disclosures made by Canadian reporting issuers. CPAB recently published our [Audit Quality Insights Report: 2019 Annual Inspections Results](#). The report includes sections on a number of audit quality matters that are particularly relevant in the current environment, including going concern and professional skepticism. As a reminder, firms participating in the Protocol for Audit Firm Communication of CPAB Inspection Findings with Audit Committees must share this report with their reporting issuer audit committees. CPAB understands the current need for flexibility in executing this requirement.

We encourage all firm audit quality leaders to reach out to CPAB or the Canadian Securities Administrators if you would like to discuss particular circumstances that you are encountering. To help you identify potential accounting and auditing issues and responses, we encourage audit firms and their reporting issuers to access CPA Canada's resource hub [here](#).

In adapting to the current situation, CPAB has closed its offices, implemented a work from home protocol and is not conducting in-person meetings of any kind until further notice; please feel free to reach out by email, phone or videoconference. At this time we'd like to express our appreciation to our employees for their continued commitment to carrying out our oversight operations during this very challenging time.