

BACKGROUND

One of CPAB's goals is to enhance audit quality and investor protection by providing content to help stakeholders improve audit quality and perform their roles more effectively. In 2017/2018, we plan to launch two new projects to advance this effort:

1. Comprehensive review of the auditor.
2. Audit committee communications.

We are interested in multi-stakeholder perspectives about both topics across a range of companies to facilitate the identification of best practices.

COMPREHENSIVE REVIEW OF THE AUDITOR

In 2013, the Enhancing Audit Quality initiative (a collaboration between CPAB and CPA Canada) recommended that audit committees perform a comprehensive review of their audit firm at least every five years. A number of audit committees have performed such reviews, and more are planning to in the near-term. There is interest in understanding how other audit committees, management and auditors have performed their comprehensive reviews.

Project objectives:

- Better understand the challenges around auditor evaluation.
- Identify best practices in performing a comprehensive review for sharing with the audit firm, audit committee and preparer communities.
- Obtain feedback on the current comprehensive review tools and guidance.

CPAB would like to perform a detailed review of a number of companies who have performed a comprehensive review. This will require access to documentation used for the comprehensive review from audit committees and holding interviews/discussions with audit firms, audit committees, and potentially management.

We plan to publish our key insights at the end of the project.

AUDIT COMMITTEE COMMUNICATIONS

The quality of communications between the audit committee and auditor influences both audit quality and the value the audit committee extracts from the audit. There is increased interest in understanding best practices in this area. For this project, audit committee communications includes all aspects of ongoing communications between the audit committee and auditor such as formal written communications, one-on-one meetings, ad hoc discussions, the use of in-camera sessions and others

Project objectives:

- Better understand the quality and efficacy of communications between auditors and audit committees through multi-stakeholder dialogue and case study analysis.
- Identify best practices that can be broadly shared with audit firms, audit committees and preparers.

We will perform a detailed review of specific audit committee communications at various reporting issuers. This will require obtaining documentation of audit committee communications (i.e. presentations) and holding interviews/discussions with audit firms, audit committees and potentially management.

We will publish our insights once the project is complete.

FREQUENTLY ASKED QUESTIONS

1. What types of participants is CPAB looking for?

CPAB is looking for participants who are engaged in these topics and who are willing to have open, honest and candid dialogue.

For the comprehensive review project, participating reporting issuers must have completed a comprehensive review within the last 30 months.

For the audit committee communications project, we welcome all interested reporting issuers.

2. What level of participation is expected from participants?

Stakeholder	Activities
Audit committee	<ul style="list-style-type: none"> - Providing CPAB with background documentation - Participating in one individual meeting of approximately one hour - Reviewing CPAB's draft report (if desired)
Management/ Preparer	<ul style="list-style-type: none"> - Assisting with the collection of background information - Participating in one individual meeting of approximately one hour - Reviewing the draft report (if desired)
Audit firm (lead engagement partner)	<ul style="list-style-type: none"> - Providing CPAB with background documentation - Participating in one individual meeting of approximately one hour - Reviewing the draft report (if desired)

3. What is the anticipated timeline for these projects?

Activity	Timing
Participant solicitation	Q4 2017
Interviews and review of documentation	Q1-Q2 2018
Publish	Fall 2018

Note that the timeline for these projects is flexible to allow for broad participation.

4. How will my confidentiality be maintained?

Specific reporting issuers will not be identified in our final publications or be associated with any case studies. We will also ensure that such specificity is not inferable. All participants will have the opportunity to review publications before they are made public.

We will acknowledge the contribution made by audit firms and reporting issuers by specifically naming participating audit firms and companies in our publications if they are comfortable with this inclusion.

5. Who can I contact for more information or to express interest?

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