

Auditing Small and Medium Enterprises

Ontario Securities Commission
Canadian Public Accountability Board
January 22, 2013

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Information in this presentation reflects securities legislation and other relevant standards that are in effect as of the date of the presentation.

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Background and Objectives of Seminar

OSC SME Institute - Objectives

Our goal is to:

- Help SMEs navigate the regulatory waters
- Demystify disclosure requirements so companies can focus on building their business
- Reduce SMEs' cost of compliance so that this money can be better spent on strategic initiatives
- Provide an opportunity for informal dialogue with OSC staff

Disclosure requirements, including those for financial reporting, are a cornerstone of investor confidence

Why Offer This Seminar?

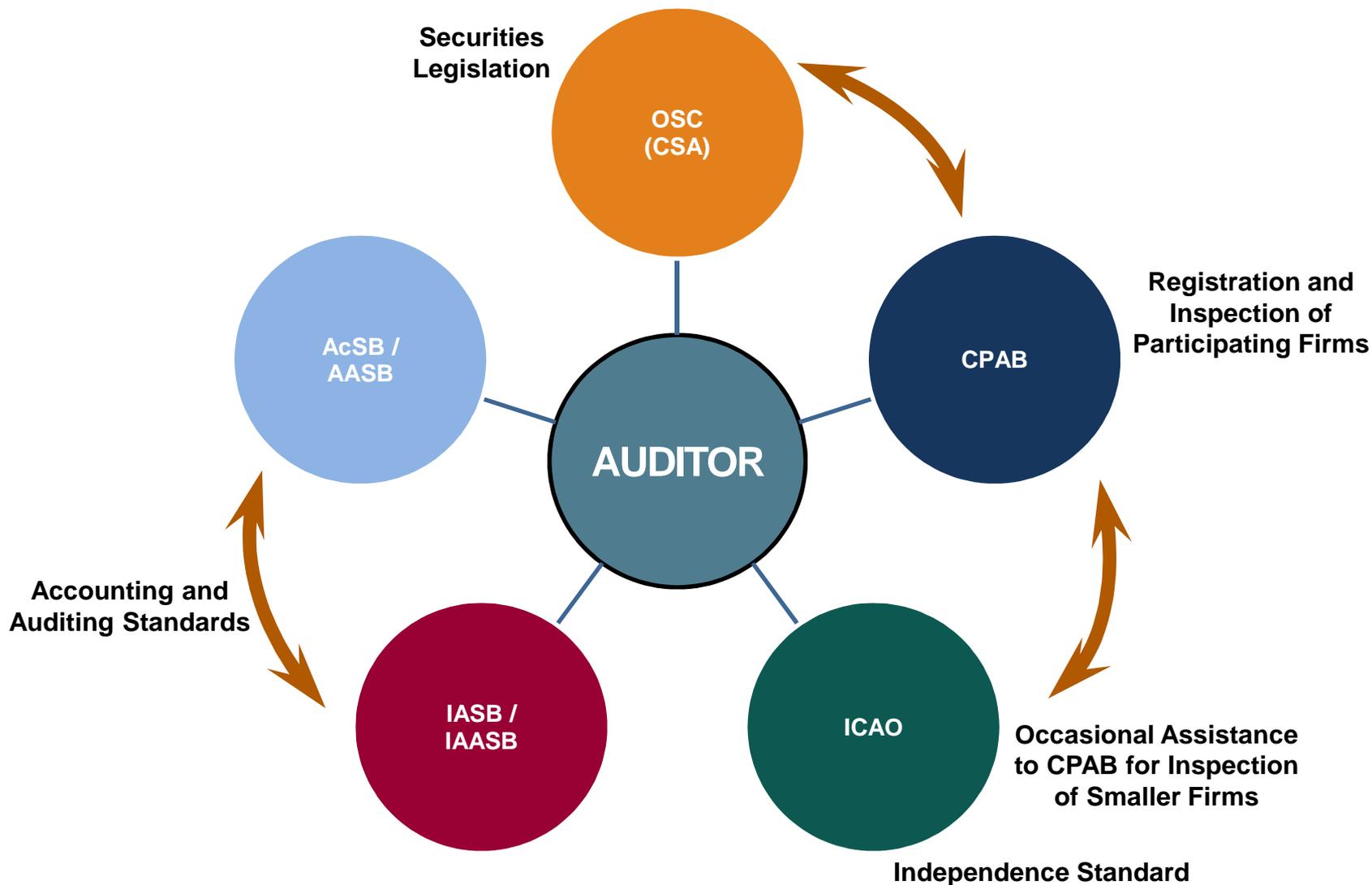
- Additional challenges for auditing public companies
 - Exposed to liability under securities legislation
 - Requires knowledge of securities legislation
- Additional challenges for auditing SMEs
 - SMEs usually have tight resources
 - Some SMEs have limited history of business operations
- Auditors are important gatekeepers to protect investors
- Opportunity to hear directly from the regulators (OSC and CPAB)

Objectives of this Seminar

The seminar will allow participants to:

- To have an overview of the securities requirements most relevant to an auditor of a public company
- To understand the role of an auditor in relation to securities filings made by its public company client
- To hear from CPAB common inspection findings
- To learn tips to improve audit quality

Regulators and Standard Setters



Important Securities Requirements for Auditors

CPAB Registration Requirement

- National Instrument 52-108 *Auditor Oversight*
 - Link between OSC and CPAB
 - Must be a participating audit firm to audit a reporting issuer

- Notice requirements
 - Notice to regulator
 - Notice to audit committee

Proposed amendments to NI 52-108 are expected to be published in Spring, 2013

GAAP and GAAS Requirements

- National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*
- The rule specifies:
 - Acceptable accounting principles for reporting issuers
 - General requirement is IFRS
 - Private entity GAAP not permitted
 - Acceptable accounting principles for acquisition statements
 - IFRS and US GAAP permitted
 - Private entity GAAP is permitted, but reconciliation to IFRS may be required
 - Acceptable auditing standards

CD Rule

National Instrument 51-102 *Continuous Disclosure Obligations*

Continuous Disclosure		Special Events		
Financial Statements (Part 4)	MD&A / AIF (Parts 5 & 6)	BAR (Part 8)	Information Circular <i>(for special transactions)</i> (Part 9)	Restatements (s. 11.5)
<ul style="list-style-type: none"> Types and periods Filing deadlines Disclosure of auditor review Change of auditor 	<ul style="list-style-type: none"> Filing deadlines Content 	<ul style="list-style-type: none"> When required Historical financial statements Pro forma financial statements 	<ul style="list-style-type: none"> Prospectus level disclosures 	<ul style="list-style-type: none"> Re-filings of financial statements

CD Rule – Disclosure of Auditor Review

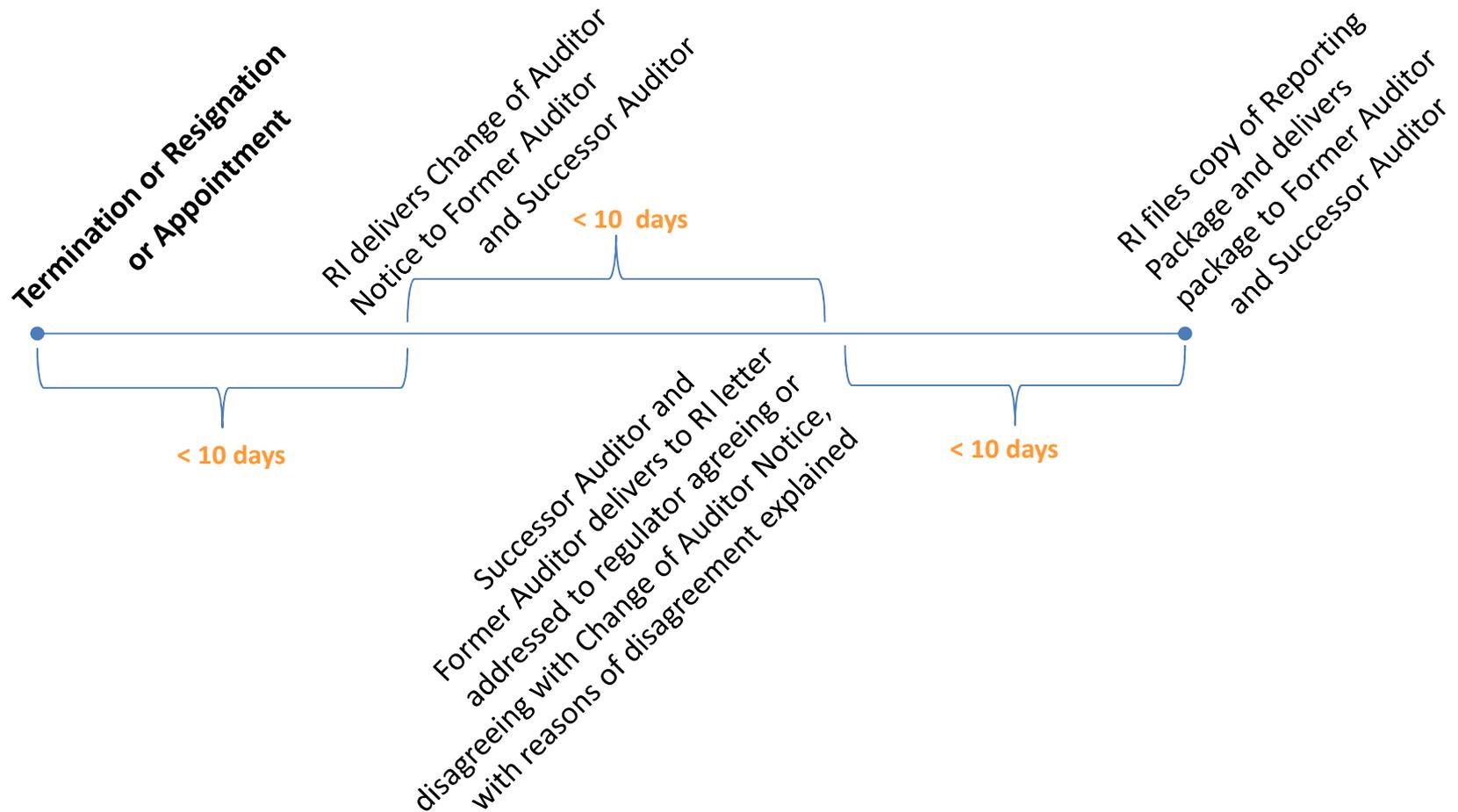
- S. 4.3(3) of NI 51-102 and OSC Staff Notice 51-718 *Key Considerations Relating to an Auditor's Involvement with Interim Financial Reports*
 - Disclosure is required when:
 - No interim review
 - Unable to complete interim review
 - Reservation in interim review report
 - Even though this is a requirement for reporting issuers, auditors should remind their clients, and check to see if requirement is satisfied

CD Rule – Disclosure of Auditor Review (cont'd)

- Note:
 - Interim reviews are not required by securities law, unless the interim financial statements are filed with a prospectus
 - Interim review reports are not filed with the interim f/s, unless there is a reservation of opinion

CD Rule – Change of Auditors

- S. 4.11 of NI 51-102 *Continuous Disclosure Obligations*



CD Rule – Other Filings Relevant to Auditors

■ MD&A

- Required for all issuers – annual and interim
- Part 5 of NI 51-102
- Form 51-102F1

■ AIF

- Required for non-venture issuers
- Required to qualify for filing short-form prospectus
- Part 6 of NI 51-102
- Form 51-102F2

CD Rule – Other Filings Relevant to Auditors (cont'd)

- BAR
 - Required for “significant acquisitions”
 - Part 8 of NI 51-102
 - Form 51-102F4
 - Acquisition statements
 - Pro-forma financial statements

CD Rule – Other Filings Relevant to Auditors (cont'd)

- Information Circular
 - Required to be sent prior to shareholders' meeting
 - If shareholders' meeting is to vote on acquisitions or restructurings involving the company's shares, require prospectus level disclosures (s. 14.2 of 51-102F5)
 - For Qualifying Transactions (s. 14.5 of 51-102F5)
 - Part 9 of NI 51-102
 - Forms 51-102F5 & F6

CD Rule – Other Filings Relevant to Auditors (cont'd)

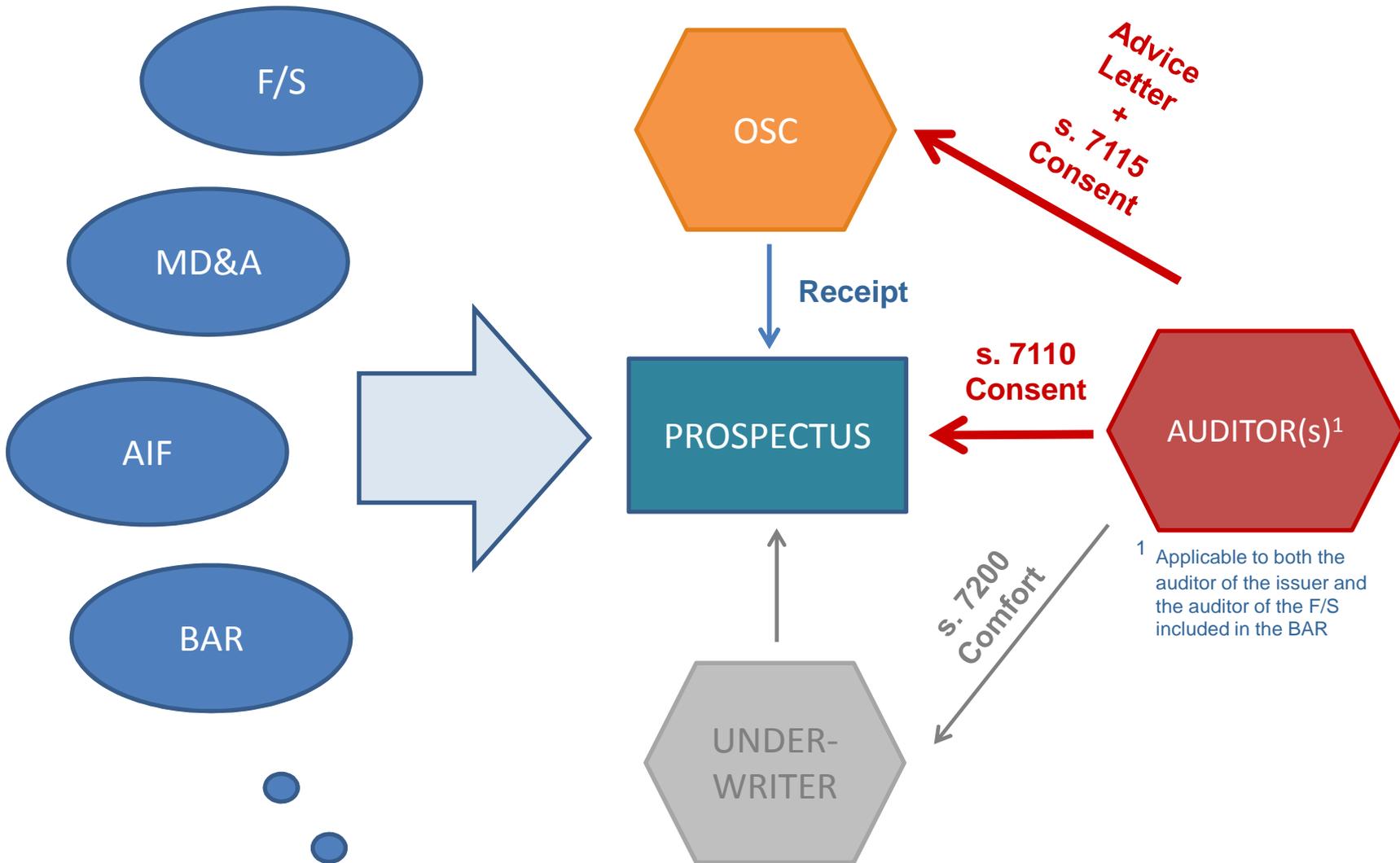
- Re-filings of Financial Statements
 - S. 11.5 of NI 51-102 and OSC Staff Notice 51-711
 - Reporting Issuer needs to file news release disclosing nature and substance of change
 - If restatement due to staff review, issuer will be put onto the *Refilings and Errors List* on the OSC website

Prospectus Rules

The Two Most Common Types of Prospectuses

Long Form	Short Form
NI 41-101 <i>General Prospectus Requirements</i>	NI 44-101 <i>Short Form Prospectus Distributions</i>
<ul style="list-style-type: none"> ■ All disclosures contained directly in prospectus 	<ul style="list-style-type: none"> ■ Allows existing reporting issuers to incorporate certain information into a prospectus by reference, including: <ul style="list-style-type: none"> ■ Financial statements ■ MD&A ■ Annual information form ■ BAR

Auditor's Role in Prospectuses



Auditor's Responsibilities Before Issuing Consent

P R O S P E C T U S	s. 7110 Consent (In Prospectus)	Preliminary Prospectus	s. 7110.67 <ul style="list-style-type: none"> Work substantially complete pending updates only
		Audited F/S	CAS
		Unaudited F/S	s. 7050 <ul style="list-style-type: none"> Review of interim f/s
		Proforma F/S	s. 7110.36 <ul style="list-style-type: none"> Perform specific procedures Compilation report NOT required
		Other Information in Prospectus	s. 7500, CAS 720 <ul style="list-style-type: none"> Review for consistency of info
	s. 7115 Consent (To Securities Regulators)	Consent Letter	s. 7110.67
		Unsigned Audit Report in Preliminary Prospectus – Advice Letter	s. 7110.46 <ul style="list-style-type: none"> Subsequent event procedures

Auditor's Procedures Before Issuing Consent

S. 7110.67:

An auditor should issue a consent only when the offering document has been approved by appropriate officials of the issuer and the auditor has:

- a) completed the audit of the audited financial statements in the offering document;*
- b) reviewed the unaudited financial statements in the document in accordance with AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS, Section 7050, or PUBLIC ACCOUNTANT'S REVIEW OF FINANCIAL STATEMENTS, Section 8200, as applicable;*
- c) read the other financial and non-financial information in the document and performed the procedures set out in AUDITOR'S CONSENT TO THE USE OF THE AUDITOR'S REPORT IN CONNECTION WITH DESIGNATED DOCUMENTS, Section 7500;*
- d) performed the subsequent events review procedures required by paragraph 7110.46;*
- e) performed the procedures required by paragraph 7110.36 with respect to any pro forma financial statements included in the document;*
- f) obtained appropriate written representations from management;*
- g) obtained an updated response letter from the issuer's legal counsel; and*
- h) complied with all other applicable Recommendations in this Section.*

Example of s. 7110 Consent (in Prospectus)

AUDITOR'S CONSENT

I have read the [short form] prospectus of X Limited (the Company) dated March 15, 20X5 relating to the issue and sale of [description of securities offered] of the Company. I have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

I consent to the [use / incorporation by reference] in the above-mentioned prospectus of my report to the [directors / shareholders] of the Company on the balance sheets of the Company as at December 31, 20X4 and 20X3, and the statements of earnings, retained earnings and cash flows for each of the years in the [three- / two-year] period ended December 31, 20X4. My report is dated February 15, 20X5 (except as to note ... which is as of March 15, 20X5).

City (signed)

Date CHARTERED ACCOUNTANT

Example of Advice (Comfort) Letter (to Regulators)

Dear Sirs / Mesdames:

Re: X Limited (the "company")

We refer to the preliminary prospectus of the company dated May 10, 201X relating to the sale and issue of (description of security).

We have reported to the shareholders of the company on the following financial statements in the preliminary prospectus:

- Consolidated statements of financial position as at December 31, 201X and 201X;
- Consolidated statements of income and comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 201X, and a summary of significant accounting policies and other explanatory information.

Our report on the consolidated financial statements for 201X was dated February 23, 201X.

We are withholding our signature from the draft report in the preliminary prospectus pending:

- (a) our review of events between the dates of the preliminary and final prospectuses;
- (b) our review of comments which may be issued by the Commission(s); and
- (c) our reading of the final prospectus.

Based on the results of our audits of the financial statements referred to above and our limited enquiry and review procedures for the period from February 23, 201X to the date of this letter, we have no reason to believe that the financial statements do not present fairly, in all material respects, the financial position of the company as at December 31, 201X and 201X, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 201X in accordance with International Financial Reporting Standards.

This letter is provided solely for the purpose of assisting the securities regulatory authority(ies) to which it is addressed in discharging its (their) responsibilities and should not be used for any other purpose. Any use that a third party makes of this letter, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter.

Yours very truly,

Example of s. 7115 Consent (to Regulators)

Ontario Securities Commission

Dear Sirs/Mesdames:

Re: X Limited (the "company")

We refer to the short form prospectus of the company dated May 10, 201X relating to the sale and issue of (description of security) (the "Prospectus").

We consent to being named and to the use, through incorporation by reference, in the above mentioned prospectus of our report dated February 23, 201X to the shareholders of the company on the following financial statements:

- Consolidated statements of financial position as at December 31, 201X and 201X;
- Consolidated statements of income and comprehensive income, retained earnings and cash flows for each of the years in the three-year period ended December 31, 201X, and a summary of significant accounting policies and other explanatory information.

We report that we have read the Prospectus and the documents incorporated by reference therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the consolidated financial statements upon which we have reported or that are within our knowledge as a result of our audit of such consolidated financial statements.

This letter is provided solely for the purpose of assisting the securities regulatory authority(ies) to which it is addressed in discharging its (their) responsibilities and should not be used for any other purpose. Any use that a third party makes of this letter, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter.

Yours very truly,

Audit Committee Rule and Auditor Independence

- National Instrument 52-110 *Audit Committees*
 - External auditor is required to report directly to Audit Committee
 - An audit committee must recommend compensation of external auditor to board
 - An audit committee must pre-approve all non-audit services to be provided by the auditor
- Disclosures required to be made by issuer:
 - Form 51-102F2 subsection 16.2(2.1) – disclose that the auditor is independent in accordance with the auditor's rules of professional conduct
 - Form 52-110F1 item 9 (non-venture) & Form 52-110F2 item 7 (venture) – external auditor service fees

CPAB Observations

CANADIAN PUBLIC ACCOUNTABILITY BOARD
CONSEIL CANADIEN SUR LA REDDITION DE COMPTES



OSC SME Institute Seminar

January 22, 2013

Agenda

- **Inspection overview and process**
- **Common inspection findings**
- **Tips to improve audit quality**

Participating Firms

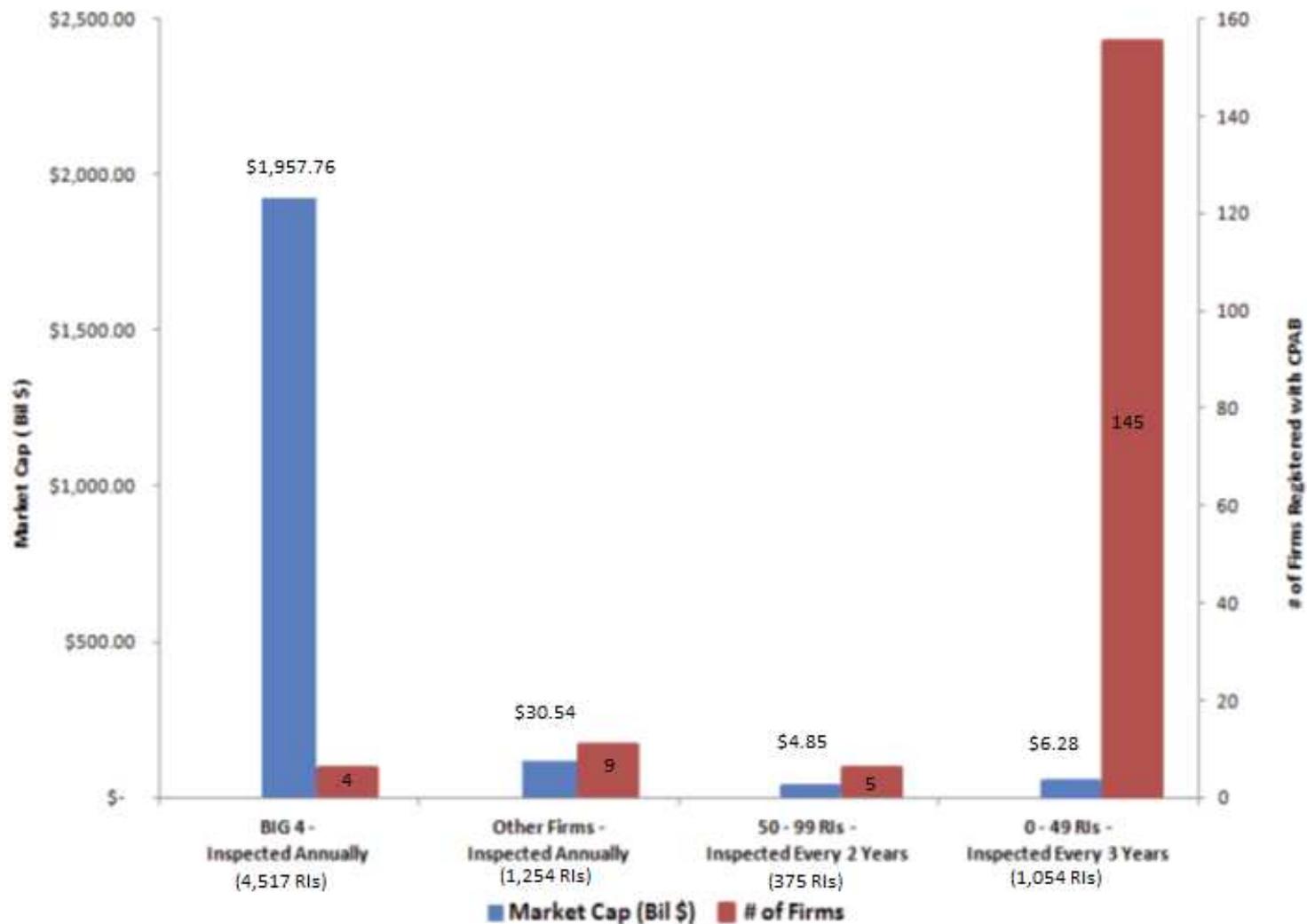
- **Participating firms as of November 30, 2012**

- 163 Canadian firms (CAs and CGAs)
- 133 Foreign firms (41 in U.S. with RIs; 27 with no RIs)

- **Inspections**

- CPAB (16 inspected with the PCAOB in 2012)
- PICAs (findings shared both ways with PICAs under Memoranda of Understanding)

CPAB Registered Canadian Audit Firms as of November 30, 2012



Inspection Cycle

- **Types of inspections**

- Recurring (frequency depends on number of reporting issuers – firms with > 100 RIs annually inspected)
- Follow-ups (implementation of recommendations)

- **Big Four firms**

- **Other National and Regional and Local firms**

- **Foreign firms and targeted reviews**

Risk Analysis

- **Performed annually for each firm subject to inspection**
- **Performed for each firm and then each engagement within the firm, with a risk-rating assigned to both the firm and then each engagement**
- **Based on CPAB's own risk model, and encompasses a variety of inputs such as:**
 - Market capitalization
 - Fees
 - Partner (newly admitted, new to engagement, etc.)
 - Industry
 - Aggressive accounting practices
 - Restatements
 - Third party reports
- **Includes some benchmarking against others in the same industry**
- **Provides initial recommendations of file selection for inspection team to consider**

Inspection Process

- **Cover the six elements of quality control**
 - Leadership
 - Ethical requirements
 - Acceptance and continuance
 - Human resources
 - Engagement performance
 - Monitoring

Inspection Process (cont'd)

- **System of quality control**
 - Detailed request for information
 - Interviews with Firm leadership
 - Changes to policies and procedures
 - Monitoring of the system of quality control
 - Test the effectiveness

Inspection Process (cont'd)

- **Greater focus on Engagement Performance element through the inspection of audit files**
 - Significant CAS requirements
 - Assessment of GAAP including related disclosures
- **Core areas are covered in each file review (next slide)**
- **Focused inspection of 2 – 3 high risk / material areas**

File Review Core Areas in 2012

- Risk assessment
- Fraud
- Going concern
- Materiality
- Misstatements
- Litigation and claims
- F/S close process
- Related parties
- Subsequent events
- Communications

File Review Focus Areas in 2012

- IFRS 1 – transition adjustments
- Foreign jurisdiction / component auditors
- Accounting estimates, including fair value and impairment
- Business combinations
- Income taxes
- Transaction stream

Inspection Process (cont'd)

- **Greater emphasis on “root cause analysis”**
 - Determining “why” deficiencies occurred drives the development of CPAB recommendations to improve audit quality
- **Recommendations, including 3-5 major recommendations, are formulated which must be implemented by the Firm**
 - Failure to implement recommendations could result in disciplinary actions
- **Very significant GAAS deficiencies under Rule 103hh (Violation Events) could give rise to disciplinary action being taken against the firm (currently 6 disciplinary actions are in place)**

Inspection Process (cont'd)

- **Common disciplinary actions**
 - Cannot take on any new audits of RIs
 - Prepare business plan to deal effectively with RI audits
- **Termination of disciplinary actions**
 - CPAB does a follow-up inspection
 - Concludes recommendations implemented satisfactorily
 - Inspects a file for audit quality
- **Board must approve termination**

Common Inspection Findings

Quality Control Elements

- Annual independence confirmations not obtained
- Partner rotation violations or no rotation plan in place
- Lack of accounting/auditing training (especially IFRS); no PD plans
- Late or incomplete acceptance procedures; no evidence of communications with prior auditors
- No consideration of language skills or reliance on other auditors in acceptance/continuance
- Ineffective internal monitoring of files; lack of monitoring of quality control system

Common Inspection Findings File Reviews

- **Poor risk assessment and response (CAS 315, CAS 330)**
 - Risks where special audit considerations required not identified; superficial assessments made; auditors frequently confuse “residual risk” and “inherent risk”
 - No understanding of controls relevant to significant risks
 - No clear linkage between risk and audit procedures in response
- **Inadequate procedures to mitigate fraud risks (CAS 240)**
 - Journal entries reviewed with reference only to materiality without examining other journal entries with unusual characteristics

Common Inspection Findings File Reviews (cont'd)

- **Inadequate communications with audit committees (CAS 260)**
 - Misstatements not communicated; fraud not discussed
 - No evidence of communications taking place
- **Lack of evidence to support audit procedures performed (CAS 230)**
 - Sign-off on checklist with no corresponding comments or references to supporting working papers

Common Inspection Findings File Reviews (cont'd)

- **Inappropriate use, design or execution of substantive analytical procedures (CAS 520)**
 - No predictable relationship or basis for expectation
 - No support for the acceptable ranges selected for expected deviations; ranges selected lack precision required to provide meaningful audit evidence
 - Reliance on management's explanations of differences that were outside the acceptable threshold without obtaining objective and independent corroborating audit evidence

Common Inspection Findings File Reviews (cont'd)

- **Inappropriate reliance on controls (CAS 330)**
 - Controls tested are not clearly identified
 - Controls tested do not relate to relevant assertions – relate to effectiveness and efficiency of operations, but not the risk of material misstatement in financial reporting
 - Tests of controls – rely on sign-off without considering other evidence to demonstrate control operated effectively

Common Inspection Findings File Reviews (cont'd)

- **Insufficient auditing of accounting estimates (CAS 540)**
 - Impairment testing (IAS 36) - auditing underlying data and assumptions in cash flow projections
 - Deferred tax asset recoverability (IAS 12) - forecasts used to support recoverability not consistent with other audit working papers
 - Lack of professional skepticism – failure to corroborate management representations or respond to indicators of management bias

Common Inspection Findings File Reviews (cont'd)

- **Inadequate analysis of debt and equity financings (IAS 32)**
 - Classification of warrants as either liability or equity, identification and accounting for embedded features
- **Failure to appropriately record or value stock based compensation (IFRS 2)**
 - Use of inappropriate option pricing model with inappropriate look-back period

Common Inspection Findings File Reviews (cont'd)

- **Failure to:**

- Identify or properly value multiple deliverables (IAS 18)
- Verify ownership/rights of properties
- Properly account for business combinations (IFRS 3)
 - e.g. identifying acquirer, determining fair value of acquisition, properly allocating purchase price, identifying acquired intangibles, accounting for contingent consideration

Common Inspection Findings File Reviews (cont'd)

- **Insufficient analysis of group audit requirements (CAS 600)**
 - Risk assessment; analysis of qualifications of component auditor and extent of involvement in planning and reviewing their work
- **Failure to assess qualifications and work of an expert (CAS 500 and 620)**
 - Obtaining an understanding of methodology used, assessing the validity of underlying data provided to the expert

Tips to Improve Audit Quality

- Improve the evidence of audit work and review
- Increase partner supervision and review in the field
- Increase EQCR involvement (planning stage and throughout engagement)
- Consider using external EQCR for higher risk engagements
- Develop a niche practice and tailor audit approach appropriately
- Stay within comfort zone

Tips to Improve Audit Quality (cont'd)

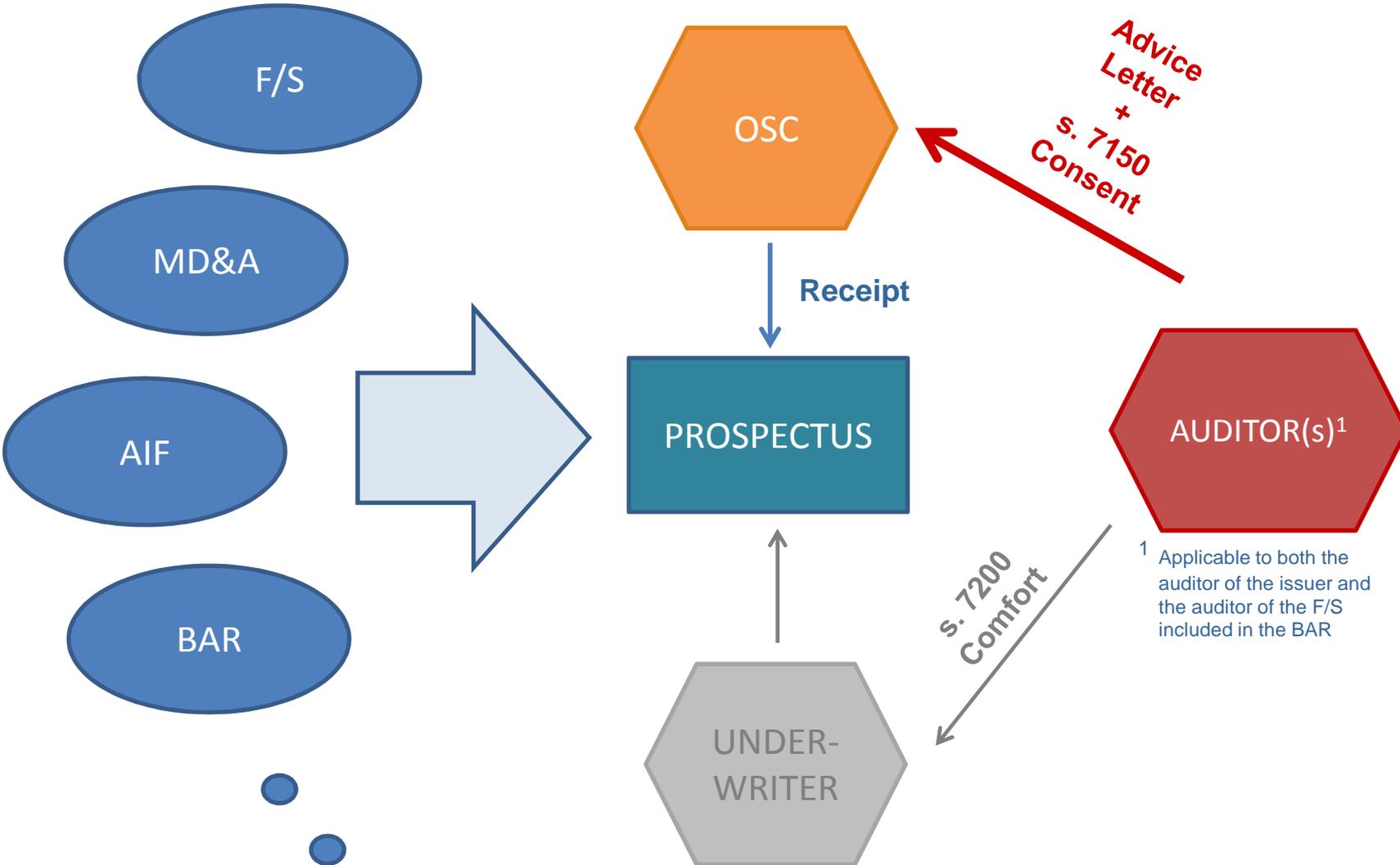
- **Enhance audit programs and templates**
- **Increase consultation (consider mandatory consultation topics and use of external experts)**
- **Provide targeted training (consider external provider)**
- **Increase professional skepticism – PCAOB Practice Alert No. 10 includes examples where issues were raised due, in part, to a lack of skepticism**
- **Enhance effectiveness of quality monitoring program**

Latest Developments

Proposed Section 7150

- AASB approved in October 2012 new Section 7150 *Auditor's Consent to the Use of a Report of the Auditor Included in an Offering Document*
- Replaces sections 7110 and 7115
- Main changes:
 - Only one auditor's consent required – to the regulator
 - Wording of consent and advice letters revised
 - Clarifies auditor's procedures on “intervening period events”

Auditor's Role in Prospectuses – Post s.7150



¹ Applicable to both the auditor of the issuer and the auditor of the F/S included in the BAR

Example of s. 7150 Consent (to Regulators)

Ontario Securities Commission

Dear Sirs/Mesdames:

Re: X Limited (the "company")

We refer to the short form prospectus of the company dated May 10, 201X relating to the sale and issue of (description of security) (the "Prospectus").

We consent to being named and to the use, through incorporation by reference, in the above mentioned prospectus of our report dated February 23, 201X to the shareholders of the company on the following financial statements:

- Consolidated statements of financial position as at December 31, 201X and 201X;
- Consolidated statements of income and comprehensive income, retained earnings and cash flows for each of the years in the three-year period ended December 31, 201X, and a summary of significant accounting policies and other explanatory information.

We report that we have read the Prospectus and the documents specifically incorporated by reference therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the consolidated financial statements upon which we have reported or that are within our knowledge as a result of our audit of such consolidated financial statements. ~~This letter is provided solely for the purpose of assisting the securities regulatory authority(ies) to which it is addressed in discharging its (their) responsibilities and should not be used for any other purpose. Any use that a third party makes of this letter, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter.~~ **We have complied with Canadian generally accepted standards for an auditor's consent to the use of a report of the auditor included in an offering document, which does not constitute an audit or review of the prospectus as these terms are described in the CICA Handbook – Assurance.**

Yours very truly,

Example of Advice (Comfort) Letter (to Regulators)

– Post s.7150

Dear Sirs / Mesdames:

Re: X Limited (the "company")

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Our report on the consolidated financial statements for 201X was dated February 23, 201X.

We are withholding our signature from the draft report in the preliminary prospectus pending:

- (a) **consideration** of events between the dates of the preliminary and final prospectuses;
- (b) review of comments which may be issued by the Commission(s);
- (c) **authorization of the final financial statements by those charged with governance**; and
- (d) reading of the final prospectus.

Based on the results of our audits of the financial statements referred to above and our limited enquiry and review procedures for the period from February 23, 201X to the date of this letter, we have no reason to believe that the financial statements do not present fairly, in all material respects, the financial position of the company as at December 31, 201X and 201X, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 201X in accordance with International Financial Reporting Standards.

This letter is provided solely ~~for the purpose of assisting~~ **to** the securities regulatory authority(ies) to which it is addressed ~~in discharging its (their) responsibilities~~ and should not be used for any other purpose. ~~Any use that a third party makes of this letter, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter.~~

Yours very truly,

Proposed Section 7150 (cont'd)

- Final Handbook material issued in January 2013
- Effective for auditor's consent used for an offering document issued on or after April 1, 2013. Early adoption is not permitted.

Exempt Market Review

- CSA Staff Notice 45-310 *Update on Staff Consultation Note 45-401 Review of Minimum Amount and Accredited Investor Exemptions*
 - Review of the minimum amount and accredited investor prospectus exemptions
- OSC Staff Consultation Paper 45-710 *Considerations for New Capital Raising Prospectus Exemptions*
 - Four “concept ideas” for new capital raising prospectus exemptions, including crowdfunding
 - Subject to further consultation

Proportionate Regulation for Venture Issuers

- Proposed National Instrument 51-103 *Ongoing Governance and Disclosure Requirements for Venture Issuers* was republished on September 13, 2012
- Main changes that may have implications for auditors:
 - Consolidating main continuous disclosure documents into a single document, the annual report
 - Replacing interim MD&As with “quarterly highlights”
 - Replacing BARs with *Report of Material Change or Other Material Information*
 - Financial statements for business acquisitions that equal 100% or more of the market cap of the venture issuer required
 - 2 instead of 3 years of audited financial statements in long form prospectuses

Tips for Working with the Regulators

OSC

Exemptive Relief Applications and Pre-filings

- Exemptive Relief Applications:
 - To seek relief from a securities law requirement

- Pre-filings:
 - To consult with OSC staff how securities regulation will be interpreted in particular circumstances
 - Application pre-filing
 - Prospectus pre-filing

Responding to OSC Comment Letters

- Issuers are asked to provide all copies of comment letter and response to auditors
- We expect issuers to:
 - Provide a comprehensive response to each question asked
 - Include detailed analysis, if requested, which reconciles to financial statements and other filings
 - Cite authoritative accounting references in response to questions related to financial statements
- Issuers should contact staff if clarification is required
 - If accounting issue is involved, helpful to have auditor participate in the call

Consultations

- With Corporate Finance Staff
 - Consultations on continuous disclosure and prospectus requirements

- With the Office of the Chief Accountant (OCA):
 - Consultations on unusual or complex technical accounting issues and financial statement disclosures

 - For further information, refer to Guidelines for Requests for Consultations with the Office of the Chief Accountant on our website: http://www.osc.gov.on.ca/en/Companies_oca_20111130_rfc-with-oca.htm

CPAB

Tips for Working With CPAB

- **CPAB and the firms share the common goal of improving audit quality. To facilitate the inspection, firms should:**
 - Prepare all requested information in a complete and timely manner
 - Ensure key individuals are available to respond to questions and requests promptly
 - Provide input to discussions on the root causes of file review findings
 - Be open to recommendations

Helpful Reference Resources

OSC Website – Securities Rules

OSC | ONTARIO SECURITIES COMMISSION

HOME | CAREERS | FAQs | CONTACT US | SITE MAP | FRANÇAIS

Enter key words [SEARCH]

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- Companies
- Dealers, Advisers and Investment Fund Managers
- Investment Funds
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OSC > Securities Law & Instruments > Instruments, Rules & Policies

Legislation

Instruments, Rules & Policies

Proposed Instruments, Rules & Policies

Orders, Rulings & Decisions

OSC Bulletin

Frequently Used Forms

Securities Law & Instruments

Instruments, Rules & Policies

This section contains proposed and final instruments, rules, policies, and other regulatory documents. They are grouped by subject according to the Canadian Securities Administrators (CSA) numbering system.

- 1 - Procedure and Related Matters
- 2 - Certain Capital Market Participants
- 3 - Registration Requirements and Related Matters
- 4 - Distribution Requirements
- 5 - Ongoing Requirements for Issuers and Insiders
- 6 - Take-Over Bids and Special Transactions
- 7 - Securities Transactions Outside the Jurisdiction
- 8 - Investment Funds

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OUT FOR COMMENT

- Proposed Amendments to 13-502 comments close November 21, 2012
- Proposed Amendments to 13-503 comments close November 21, 2012
- Proposed NI 51-103 comments close December 12, 2012
- 51-802 - Implementing 51-103 comments close December 12, 2012

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OSC Website – Information for Companies

http://www.osc.gov.on.ca/en/Companies_smaller-comp OSC | Companies - L. X

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OSC > Companies > Information for Small and Medium Enterprises

Information for: Companies

Information for Small and Medium Enterprises

This web page is dedicated to providing Small and Medium Enterprises (SMEs) with useful information relevant to their market. SMEs and their advisors are encouraged to frequently visit this page and its contents to learn more about OSC rules and requirements, and capital market information that impact them.

Table of Contents

- Small and Medium Enterprises in Ontario
- The OSC SME Institute
- The OSC SME Community
- The Small and Medium Enterprises Committee
- Topical Information for SMEs
 - How To Raise Capital
 - Ongoing Requirements
- Other Information

SPOTLIGHT ON:

SME Institute Calendar

Filing Due Dates Calendar for Annual & Interim Filings by Reporting Issuers

RELATED INFORMATION:

- Reporting Issuers List
- OSC Staff Notice 41-702: PIFs
- OSC Staff Notice 41-703: Relief evidenced by receipt

OSC

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OSC Website – Information on IFRS

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Information for: Companies

Information on IFRS

This section contains links to information and guidance provided by the OSC on the transition to International Financial Reporting Standards (IFRS). The information in this section should be taken as a guide.

Background Information

- Transition to IFRS

Corporate Finance IFRS Releases

- OSC Corporate Finance - IFRS Release No. 1 - *Filing Deficiencies in Issuers' First IFRS Interim Financial Reports*
- OSC Corporate Finance - IFRS Release No. 2 - *A Reminder Before You File Your First IFRS Interim Financial Report*
 - For December 31 year ends
 - For March 31 year ends
 - For June 30 year ends
 - For September 30 year ends
- OSC Corporate Finance - IFRS Release No. 3 - *IFRS Interim Financial Reports - Tips for Q2 and Q3*
 - For December 31 year ends
 - For March 31 year ends
 - For June 30 year ends
 - For September 30 year ends

Information on IFRS

RELATED INFORMATION:

- Information on IFRS for Dealers, Advisers and Investment Fund Managers
- Information on IFRS for Investment Funds

Other Noteworthy OSC Publications

- OSC Staff Notice 52-720 *Office of the Chief Accountant Financial Reporting Bulletin*
- OSC Staff Notice 51-719 *Emerging Markets Issuer Review*
- OSC Staff Notice 51-720 *Issuer Guide for Companies Operating in Emerging Markets*
- OSC Staff Notice 52-719 *Going Concern Disclosure Review*

Inspection Reports and CPAB Publications

- **Inspection report issued to the firm**
 - Private communication between CPAB and the firm
 - Copy to provincial institute inspection unit
- **Annual Public Report on inspections**
- **Special inspection reports**
 - Auditing in foreign jurisdictions (2012)
- **Inspection activities section in CPAB's Annual Report**

CICA Website

Enhancing Audit Quality

The screenshot displays the CICA website interface. At the top left is the CICA logo (CA Chartered Accountants of Canada). To the right is a search bar and social media icons. Below the header is a navigation bar with six yellow buttons: 'About CICA & the Profession', 'Applying the Standards', 'Publications', 'Career & Professional Development', 'Resources & Member Benefits', and 'Focus on Practice Areas'. The main content area is titled 'Audit & Assurance' and includes a breadcrumb trail: 'Home > Focus on Practice Areas > Audit & Assurance'. The main heading is 'Audit and Assurance', followed by a paragraph: 'The CICA is a leader in supporting high quality assurance and related services. This page features a forum for insightful discussion of key issues along with links to guidance to promote consistent, high quality implementation of the Canadian Auditing Standards (CASs) and other standards.' Below this are two columns: 'What's New' with a link 'At the crossroads: Choosing a new path.' and 'Publications and Resources' with a link 'Communications Between the Auditor and'. On the right side, there are three promotional boxes: 'Uniting the Canadian Accounting Profession' with a 'Learn More' button, 'Enhancing Audit Quality' with CICA, CPAB, and CCRC logos, and 'CAstore'.

CA Chartered Accountants of Canada

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Audit & Assurance [Home > Focus on Practice Areas > Audit & Assurance](#)

Enhancing Audit Quality: Canadian Perspectives

Conversations about Audit Quality

Whats New at AASB and Internationally

Canadian Auditing Standards Resources

Corporate Finance

Finance & Management

Audit and Assurance

The CICA is a leader in supporting high quality assurance and related services. This page features a forum for insightful discussion of key issues along with links to guidance to promote consistent, high quality implementation of the Canadian Auditing Standards (CASs) and other standards.

What's New

- [At the crossroads: Choosing a new path.](#)

Publications and Resources

- [Communications Between the Auditor and](#)

Uniting the Canadian Accounting Profession [Learn More](#)

Enhancing Audit Quality

CA **CPAB** **CCRC**

CAstore

CICA Website

Enhancing Audit Quality

Message from the Chair

Steering Group

Audit Committee Working Group

Auditor Reporting Working Group

Auditor Independence Working Group

Media Centre

Useful Links

Contact

[Home](#) > [Enhancing Audit Quality Canadian Perspective](#)

Enhancing Audit Quality: Canadian Perspectives



Enhancing Audit Quality: Canadian Perspectives

Enhancing Audit Quality: Canadian Perspectives is a consultation process being led by the Canadian Public Accountability Board (CPAB) and the Canadian Institute of Chartered Accountants (CICA) to gain stakeholder input on key issues emerging with respect to enhancing audit quality globally, and the impact on Canada.

What's New

- [EAQ: Auditor Reporting Model - Comment Letters - November 28, 2012](#)
- [Why didn't the auditor dog bark in 2008?](#) (Opinion piece by David Brown in the Financial Post, October 19, 2012)
- [Discussion papers issued for Canadian audit quality consultation - September 27, 2012](#) (media release)
- [Enhancing Audit Quality Auditor Independence - September 27, 2012](#) (discussion paper)
- [Enhancing Audit Quality Auditor Reporting Model - August 31, 2012](#) (discussion paper)
- [Enhancing Audit Quality Initiative Overview - August 31, 2012](#) (overview paper)
- [CPAB/CICA collaborate on audit quality consultation process - June 7, 2012](#) (media release)
- [Message from the Chair – David Brown](#)

Questions?

Appendix

Appendix – Contact Information for Today's Presenters

OSC

Charlmane Wong

Senior Accountant, Corporate Finance

Email: cwong@osc.gov.on.ca

Phone: 416-593-8151

Mark Pinch

Senior Accountant, Office of the Chief Accountant

Email: mpinch@osc.gov.on.ca

Phone: 416-593-8057

CPAB

Margo Longwell

Senior Director, Inspections

Director of Policy, Methodology and Projects

Email: margo.longwell@cpab-ccrc.ca

Phone: 416-913-8269

Michael Weinman

Director, Inspections

Email: michael.weinman@cpab-ccrc.ca

Phone: 416-913-8260 ext. 4137