

# STATEMENT OF PRINCIPLE: STANDARDS OF AUDITING

## INTRODUCTION

Regulation 5 of the Accountants (Quality Assurance) Regulations 2016 states -

*(1) A public practice firm, a practitioner member and any designated professional providing assurance services shall comply with -*

*(a) the professional standards referred to in the public practice firm’s assurance report;*

*(b) any related quality control standards; and*

*(c) any procedures established by the public practice firm.*

*(2) An assurance engagement provided by a person or firm referred to in paragraph (1) shall be conducted in accordance with standards issued by -*

*(a) the International Auditing and Assurance Standards Board; or*

*(b) the Generally Accepted Auditing Standards promulgated by the Auditing Standards Board, a division of the American Institute of Certified Public Accountant,*

*or with **any standards assessed as equivalent to those standards by the Institute or the International Auditing and Assurance Standards Board.***

## PROVISIONAL ASSESSMENT OF EQUIVALENCY

1. In the absence of a transitional provision being included with respect to Regulation 5(2) in the Law or Regulations, CIIPA determined that for audit reports issued for year ends up to and including to **December 15, 2017**, any auditing standards used by public practice firms for engagements other than those issued by the International Auditing and Assurance Standards Board (International Standards on Auditing (“ISAs”)) or the Generally Accepted Auditing Standards

Version 1	February 2017
Version 2	November 2017

promulgated by the Auditing Standards Board of the American Institute of Certified Public Accountant (“US GAAS”) will be assessed as equivalent.

## ASSESSMENT OF EQUIVALENCY

2. The following standards have been deemed equivalent for the purpose of Regulation 5(2) of the Accountants (Quality Assurance) Regulations and will be applicable for audits of accounting periods ending after **December 15, 2017**.

The International Standards on Auditing ( <b>UK</b> ) (issued by the UK Financial Reporting Council)
The International Standards on Auditing ( <b>Ireland</b> ) Auditing Standards (issued by Irish Auditing and Accounting Supervisory Authority) <sup>1</sup>
<b>Hong Kong</b> Standards on Auditing (issued by the Hong Kong Institute of Certified Public Accountants)
Generally accepted auditing standards in <b>Japan</b> (comprising The Auditing Standards codified by the Business Accounting Council together with the implementation guidance issued by JICPA (Japanese Institute of Certified Public Accountants))
<b>Canadian</b> Auditing Standards (issued by the Auditing and Assurance Standards Board)
<b>Singapore</b> Standards on Auditing (issued by the Institute of Singapore Chartered Accountants)
Auditing standards issued by the United States <b>Public Company Accounting Oversight Board (PCAOB)</b>

3. For the avoidance of doubt, where standards are used other than ISAs, US GAAS or those listed, the firm must also meet the requirements of ISAs or US GAAS when performing audits and issue an audit report according to ISAs or US GAAS.

<sup>1</sup> ISA (UK and Ireland) has been superseded by, ISAs (Ireland) Auditing Standards issued by the Irish Auditing and Accounting Supervisory Authority; and ISA (UK) as issued by the FRC.

Version 1	February 2017
Version 2	November 2017