

September 2009

**BASIS FOR CONCLUSIONS
CANADIAN AUDITING STANDARD (CAS) 250,
Consideration of Laws and Regulations in an Audit of Financial Statements**

This Basis for Conclusions has been prepared by staff of the Auditing and Assurance Standards Board (AASB). It relates to, but does not form part of, Canadian Auditing Standard 250, “Consideration of Laws and Regulations in an Audit of Financial Statements.”

Background

In April 2007, the International Auditing and Assurance Standards Board (IAASB) issued its Exposure Draft of International Auditing Standard (ISA) 250 (Redrafted), “Consideration of Laws and Regulations in an Audit of Financial Statements” (ED-ISA 250). The IAASB approved final ISA 250 at its meeting in March 2008 subject to confirmation by the Public Interest Oversight Board (PIOB) that due process was followed. This confirmation was received in July 2008.

In June 2007, the AASB issued its Exposure Draft to adopt proposed ISA 250 as CAS 250 (ED-CAS 250) to replace Section 5136, MISSTATEMENTS — ILLEGAL ACTS. There were 5 respondents to ED-CAS 250 (identified below).

The AASB approved CAS 250 in September 2008. The Auditing and Assurance Standards Oversight Council reviewed due process followed by the AASB in the development of this CAS prior to its issuance in the CICA Handbook – Assurance.

Purpose of this Basis for Conclusions

This Basis for Conclusions has been prepared to make Canadian stakeholders aware of the following.

- (a) A Basis for Conclusions prepared by IAASB staff for ISA 250 is available on the [IAASB web site](#), and provides information on how the IAASB dealt with comments received on significant matters in response to the ED-ISA 250.
- (b) Information on how the AASB dealt with significant matters arising from comments received in response to its ED-CAS 250 is also available. This information is set out below.

Significant Matters

AASB's Consideration of Amendments to ISA Wording

CAS 250 contains no amendment to the ISA wording. This is consistent with the position taken by the AASB in its ED-CAS 250. No respondent requested an amendment.

Other Matters

None.

List of Respondents to ED-CAS 250

Auditor General Alberta
BDO Dunwoody LLP
Deloitte & Touche LLP
Ordre des comptable agréés du Québec
Provincial Auditor Saskatchewan