

**BASIS FOR CONCLUSIONS
CANADIAN AUDITING STANDARDS (CAS) 520,
Analytical Procedures**

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 520, “Analytical Procedures.”

Background

In December 2007, the International Auditing and Assurance Standards Board (IAASB) issued its Exposure Draft of International Standards on Auditing (ISA) 520 (Redrafted), “Analytical Procedures” (ED-ISA 520). The IAASB approved final ISA 520 in September 2008 subject to confirmation from the Public Interest Oversight Board (PIOB) that due process was followed. This confirmation was received in December 2008.

In February 2008, the AASB issued its Exposure Draft to adopt proposed ISA 520 as CAS 520 (ED-CAS 520) to replace Section 5301, ANALYSIS. There were 7 respondents to ED-CAS 520 (identified below).

The AASB approved CAS 520 in October 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 520 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 520.
- (b) Information on how the AASB dealt with significant matters arising from comments received in response to its ED-CAS 520 is also available. This information is set out below.

Significant Matters

AASB’s Consideration of Amendments to ISA Wording

CAS 520 contains no amendment to the ISA wording. This is consistent with the position taken by the AASB in ED-CAS 520. No respondent requested an amendment.

Other Matters

None.

List of Respondents to ED-CAS 520

Auditor General Alberta

BDO Dunwoody LLP

Canadian Public Accountability Board

Deloitte & Touche LLP

Institute of Chartered Accountants of British Columbia

Ordre des comptables agréés du Québec

Provincial Auditor Saskatchewan