

**Getting ready for the
new compilation
standard.
CSRS 4200
Slides**

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**Getting ready for the new
compilation standard.
CSRS 4200**

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**CANADIAN STANDARD ON
RELATED SERVICES (CSRS) 4200
replacing s.9200**

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**Canadian Standards on Related Services
(CSRS 4200)**

2018	2019	2020	2021
Exposure draft issued	Final handbook material approved	Final handbook material issued	Effective for compiled financial information for periods ending on or after December 14, 2021

CSRS 4200

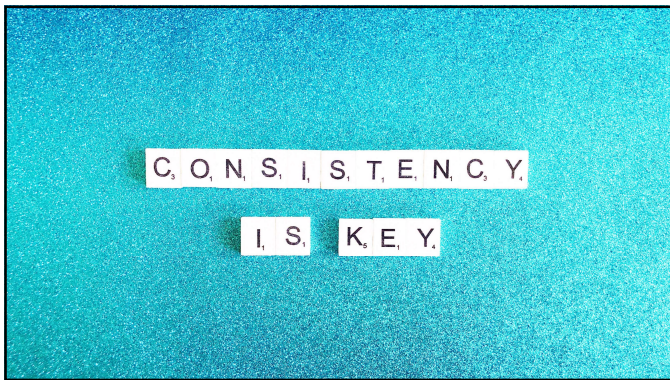
- Replaces s.9200
- Canadian Standards on Quality Management (CSQM) 1 and 2
- Significant changes

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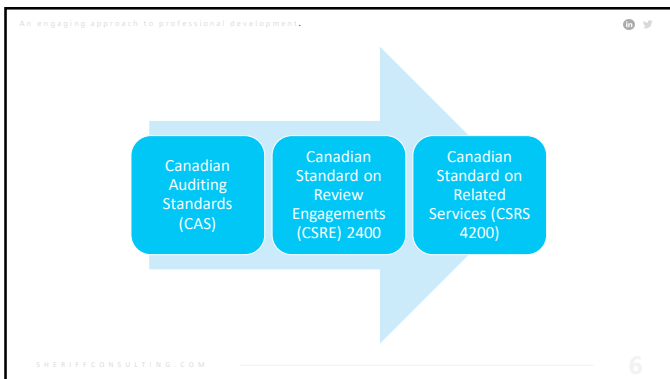
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Audit	Review	Compilations
<ul style="list-style-type: none"> • Positive • Accounting framework • Planning • Execution • Reporting 	<ul style="list-style-type: none"> • Limited • Accounting framework • Planning • Execution • Reporting 	<ul style="list-style-type: none"> • No assurance • Understanding the entity • Planning • Execution • Reporting

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Par. 5
 A compilation engagement is **not** an assurance engagement. The engagement does not require the practitioner to perform procedures to verify the accuracy or completeness of the information provided by management.

Accordingly, the practitioner does not express an audit opinion or a review conclusion, or provide any form of assurance on the compiled financial information.

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  graph TD
    A["Engagement Acceptance/Continuance  
• Basis of Accounting  
• Engagement letter  
• Relevant ethical requirements"] --> B["Performing the Engagement  
• Understanding the entity  
• Documentation"]
    B --> C["Reporting"]
  
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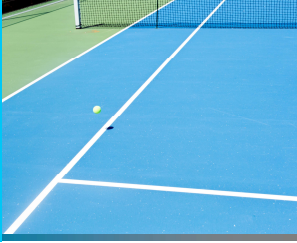


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Engagement acceptance /continuance

- Basis of accounting
- Engagement letter
- Independence



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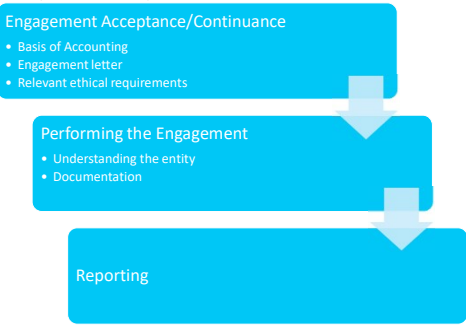
Engagement Acceptance/Continuance

- Basis of Accounting
- Engagement letter
- Relevant ethical requirements

Performing the Engagement

- Understanding the entity
- Documentation

Reporting



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Bases of Accounting

Par. 6 - Compiled financial information may be prepared in accordance with different bases of accounting. Bases of accounting may be established by an authorized or recognized standards-setting organization, prescribed by law, regulation or contract, or developed by management.

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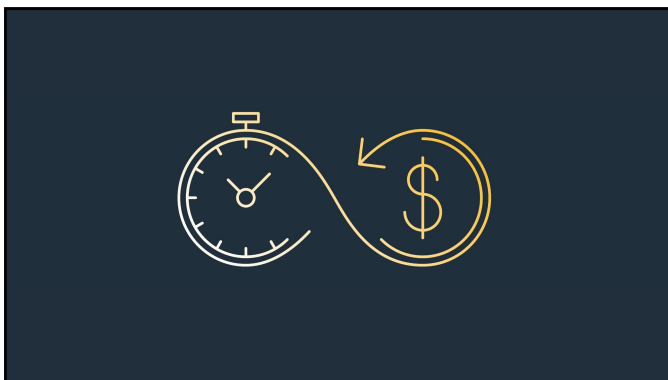
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Bases of Accounting

- IFRS
- ASPE
- ASNPO
- Developed by management

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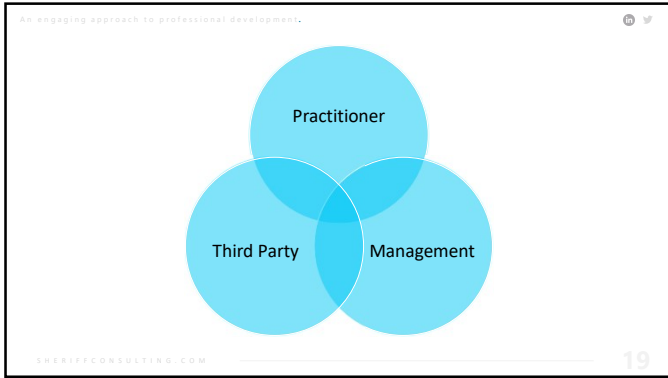
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22(b) Prior to accepting or continuing a compilation engagement, the practitioner shall obtain an acknowledgment from management of **the basis of accounting** expected to be applied in the preparation of the compiled financial information.

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23. When the compiled financial information is intended to be used by a **third party**, the practitioner may accept or continue the engagement if, according to management, the third party:

- (a) Is in a position to request and obtain further information from the entity;
- (b) Has agreed with management the **basis of accounting** to be applied in the preparation of the compiled financial information. (Ref: Para. A18)

If neither (a) nor (b) above are met, the **practitioner shall not accept or continue the engagement**, unless the basis of accounting to be applied in the preparation of the compiled financial information is a general purpose framework.

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Par. 2 This CSRS **does not apply** when the financial information prepared is limited to the following circumstances: (Ref: Para. A2)

- (a) A practitioner acting in the capacity of trustee in bankruptcy, receiver or liquidator;
- (b) A practitioner contracted to act as a member of the entity's finance department with controllership responsibilities;
- (c) A practitioner engaged to perform a bookkeeping service; or

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A3. This CSRS does not apply to a bookkeeping service. A bookkeeping service involves collecting, classifying, summarizing and processing data to create underlying accounting records, which may result in a general ledger, trial balance or system-generated financial information to which no practitioner's communication is included or attached. The practitioner may be engaged to undertake a bookkeeping service either solely or in addition to a compilation engagement.

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Par. 2 This CSRS **does not apply** when the financial information prepared is limited to the following circumstances: (Ref: Para. A2)

d) A practitioner preparing financial information:

- (i) Presented solely in government-prescribed tax forms such as corporate, trust or personal income tax returns;
- (ii) That will be subject to an audit engagement or a review engagement performed by another practitioner; or
- (iii) As part of another service performed by the practitioner.

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Engagement Acceptance and Continue par.22 -26, A11-A23, Appendix 1

Basis of accounting

Intended use of financial statements

Terms of Engagement

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Objective and scope

Intended use of the compiled financial statements

The practitioner's responsibilities

Management's responsibilities

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[The intended use of the compiled financial information]

The compiled financial information is intended to be used by management of ABC Company and third parties, being current or potential lenders for borrowing purposes. Those third parties are in a position to request and obtain further information from the entity.

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Independence (Ref: Para. 37)

A8. Relevant ethical requirements **do not require** the practitioner to be independent of the entity for a compilation engagement.

However, when the practitioner may be seen by a reasonable observer as lacking independence, the **relevant ethical requirements** may require disclosure in the compilation engagement report.

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Performing the engagement

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Performing the engagement par.27-33

The Practitioner's Knowledge	Preparing the Compiled Financial Information	Discussing with Management Significant Judgements for Which Assistance has been provided
Reading the Compiled Financial Information	Bringing Matters to the Attention of Management	Withdrawing from the engagement
Acknowledging the Responsibility for the Final Version of the Compiled Financial Information		

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Par.27 The practitioner shall obtain knowledge of the following matters, sufficient to be able to perform the compilation engagement

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Par 29. When the practitioner assists management with significant judgments used in the preparation of the compiled financial information, the practitioner shall discuss those judgments with management, so that management understands their impact on the compiled financial information and accepts responsibility for them (A.31)

Accounting Estimates

Accounting Policy

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Par. 31 If the practitioner becomes aware of matters that cause the compiled financial information to appear misleading, the practitioner shall bring these matters to the attention of management and request additional or corrected information

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DOCUMENTATION

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IF IT ISN'T DOCUMENTED, IT ISN'T DONE

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Documentation par. 39 The practitioner shall prepare documentation that, in the practitioner's judgment, is sufficient to enable an **experienced practitioner**, having no previous connection with the engagement, to understand how the requirements of this CSRS were met, which, at a minimum, include the following

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- Engagement letter
- A description of the entity's business, operations, accounting system, accounting records, and the basis of accounting applied, and, where applicable, the accounting policies used.
- A reconciliation of the entity's accounting records to the compiled financial information, including any adjusting journal entries or other amendments to the compiled financial information.
- The discussion with management regarding significant judgments for which the practitioner has provided assistance.
- The communication to management regarding matters that may cause the compiled financial information to appear misleading and how management has addressed these matters.

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REPORTING



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Paragraph 1

On the basis of information provided by management, we have compiled the balance sheet of ABC Company as at December 31, 20X1, the statement of income and retained earnings for the year then ended, and **Note X, which describes the basis of accounting** applied in the preparation of the compiled financial information [and, if applicable, other explanatory information] ("financial information").

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Paragraph 2 and 3

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) [4200, Compilation Engagements](#), which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

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Paragraph 4 and 5

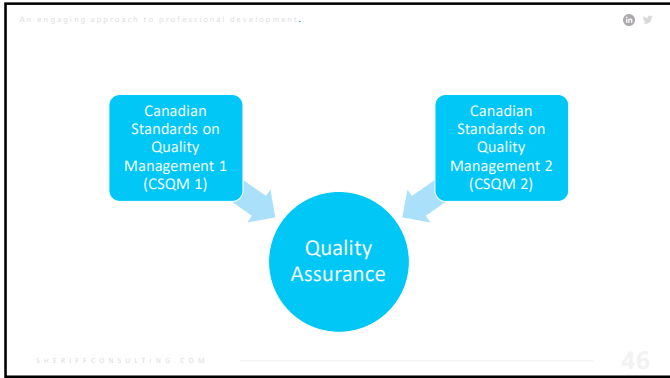
We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes

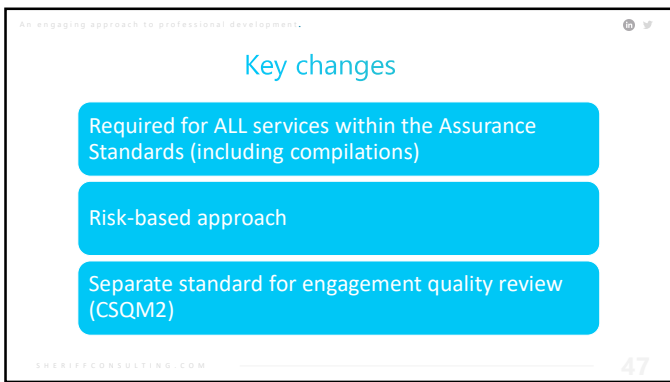
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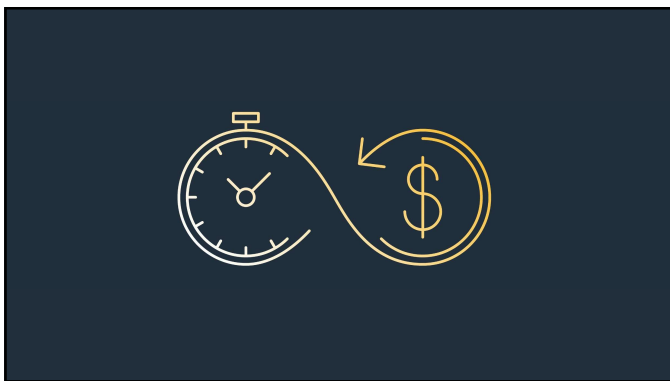
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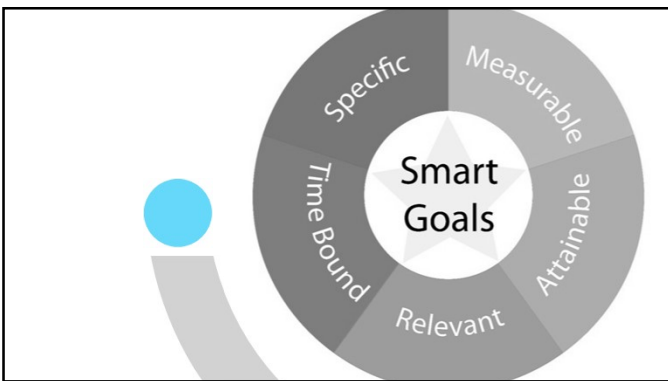
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