



For Immediate Release

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Canadian roundtable on audit quality addresses current state and trends

Toronto — On October 21, the Canadian Securities Administrators (CSA), the Canadian Public Accountability Board (CPAB), and the Office of the Superintendent of Financial Institutions (OSFI) co-hosted the sixth annual Canadian Audit Quality Roundtable.

The roundtable facilitates a dialogue between senior representatives from financial regulators, audit firms and other key stakeholders on perspectives relating to current and emerging risks impacting audit quality in Canada.

Topics discussed this year include:

- The impact of global trends on audit quality in Canada.
- Opportunities and challenges arising from the use of new technologies such as generative artificial intelligence (AI).
- Observations and learnings related to audit firm culture stemming from the recent adoption of the Canadian Standard on Quality Management.
- Consideration of climate-related risks in financial statement audits.
- The critical role of external auditors in the capital markets and the demand for additional assurance services.

Key takeaways

- Consistent execution of high-quality audits is crucial to maintaining confidence in financial reporting and protecting the investing public and the integrity and stability of the Canadian capital markets.
- Auditors play a vital role in establishing trust in the financial system by providing independent assurance of financial information. Their work is critical for enhancing investor confidence, reducing information risk, and supporting decision making.
- They play an essential role in evaluating economic and other uncertainties, key assumptions, and disclosures in financial reporting. Notably, uncertainties may lead to increased credit, liquidity and market risks, as well as areas in non-financial risks such as risks to operational resilience.
- Audit firms have made advancements in the design, implementation, and operation systems of quality management, and they continue to prioritize firm culture, which are foundational to audit quality.
- Generative AI provides opportunities for both audit firms and their reporting issuers to improve the quality and efficiency of their processes. To mitigate risks associated with the adoption of such new technologies, internal oversight mechanisms and strong governance are needed.
- High quality audits of disclosed information are a collaborative effort among all stakeholders involved in financial reporting.



Quotes

“Financial reporting is vital for maintaining fair and efficient capital markets and promoting investor confidence. The CSA continues to collaborate with regulators, industry, and investors to enhance reliable financial reporting and access to quality information.”

- Stan Magidson, CSA Chair and Chair & CEO of the Alberta Securities Commission

“Auditors play a foundational role in our capital markets and reporting of financial results. The Canadian Public Accountability Board is encouraged by the commitment made by participants to support a strong financial reporting ecosystem in Canada, and to the protection of the investing public.”

- Carol Paradine, CEO, CPAB

“Prudential supervision of financial institutions and the stability and integrity of the Canadian financial system are supported by high-quality external audits. We welcome opportunities like this roundtable to discuss significant risks to the financial system and foster productive relationships with external audit firms and regulators.”

- Peter Routledge, Superintendent, OSFI

About the CSA

The CSA, the council of the securities regulators of Canada’s provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

About CPAB

The Canadian Public Accountability Board (CPAB) is Canada’s independent, public company audit regulator. Charged with overseeing audits performed by registered public accounting firms, CPAB contributes to public confidence in the integrity of financial reporting and is committed to protecting Canada’s investing public. CPAB promotes audit quality through proactive regulation, dialogue with domestic and international stakeholders, and practicable insights to inform capital market participants. CPAB has offices in Montreal, Toronto and Vancouver.

About OSFI

The Office of the Superintendent of Financial Institutions (OSFI) is an independent agency of the Government of Canada, established in 1987, to protect depositors, policyholders, financial institution creditors and pension plan members, while allowing financial institutions to compete and take reasonable risks. OSFI supervises more than 400 federally regulated financial institutions and 1,200 pension plans to determine whether they are in sound financial condition and meeting their prudential requirements.

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