



Committee/Comité: Auditing and Assurance Standards Oversight Council

Meeting Date: October 2, 2008
Date de la Réunion:

Location/Lieu: Office of the Superintendent of Financial Institutions, Toronto

Chairman: David Brown
Président de séance:

Attendees: Jill Bodkin
Membres présents: Phil Cowperthwaite (non-voting)
Marie Giguère
Bob Hanna (non-voting)
Ken Krauss (non-voting)
Andrew Kriegler
Marion MacDonald
Bob Muter
Ron Salole (non-voting)
Ken Vallillee

Regrets/Excusés: Ross MacKinnon
Greg Shields (non-voting)
Erik Peters
David Wilson

Guests/Invité(e)s: Cameron McInnis Ontario Securities Commission
Eric Turner CICA
Bruce Winter AASB Vice Chair

Secretary/Secrétaire: Jan Burns

1. Chair's opening comments

The Chair welcomed everyone to the meeting and thanked all members for their vote of confidence in accepting him as the new AASOC Chair replacing Jim Baillie. He provided some background information on his association with the Public Interest Oversight Board (PIOB) and the PIOB's mandate to serve the public interest.

The AASOC expressed their thanks to Mr. Baillie who recently resigned after a lengthy term as Chair. Mr. Baillie was the first appointee of the AASOC and the members hope to build on his legacy going forward.

The Chair then introduced Cameron McInnis of the Ontario Securities Commission (OSC). As Chief Accountant of the OSC (replacing John Carchrae), Mr. McInnis attended on behalf of Mr. Wilson who was unable to attend.

The Chair reported that Andrew Kriegler has accepted the appointment of Chair of the AASOC Nominating Committee, effective immediately, replacing Ross MacKinnon who will be retiring from the AASOC.

2. Minutes of July 4, 2008

The minutes of the meeting held on July 4, 2008 were approved as circulated.

3. Ad Hoc Committee Update

Phil Cowperthwaite presented the highlights of the changes to the framework paper “Recommendations for Framework and an Operating Plan” made subsequent to the July 4th AASOC meeting and as a result of his meeting in September with the AASB stating that no significant changes had been made to the document.

The AASOC discussed a number of issues, including the meaning of, and difficulties in, determining cost benefit; the need to monitor the developments on independence; and, the process to be followed by the AASB which would allow the AASOC to determine whether “due process” had been followed in considering the public interest. It was acknowledged that the degree of rigour around the “process” would be dependent on the standard being approved, i.e., if it were an ISA being adopted versus if a standard required a modification or the standard itself was unique to Canada.

It was agreed that, in the interest of transparency, the minutes of the AASOC meetings would be published on the AASOC web site and would reflect whether or not the AASB had followed due process when approving a standard. The AASOC annual report would also indicate whether the AASB had followed the appropriate process. In the interest of independence, the AASOC will also consider whether it will issue an annual report separate from that of the AASB. Furthermore, it was agreed that an AASOC member would attend and monitor all non-conference call AASB meetings, and would participate in AASB meetings held via conference call, dependent on the agenda.

The AASOC provided recommendations and editorial changes to Mr. Cowperthwaite. Amongst the recommendations made by the AASOC was the elimination of a test case as it was felt that once the check-list was put to use, the need for a test case would no longer exist. In addition, the importance of posting the Basis for Conclusions was stressed. The revised document will be circulated amongst the Ad Hoc Committee members and then be sent to the AASOC for final review.

The Chair expressed his thanks to Mr. Cowperthwaite and the other members of the Ad Hoc Committee for all their efforts in developing this paper.

4. AASB Update

Ken Krauss presented an update of key recent activities of the AASB since the last update at the May meeting of the AASOC and provided a summary of the progress of the AASB project to adopt ISAs which remains on track. AASOC members made some suggestions to be included in future updates and asked, in particular, that the issues that arise with the remaining standards be included in the report.

5. AASB Operations Plan 2009-2010

Bruce Winter presented the draft Operations Plan for the year 2009-2010 acknowledging that this would be the third year of the three-year AASB Strategic Plan. The AASOC made some recommendations and editorial comments, but on the whole, the feedback received on the draft Plan and its key objectives was positive. The revised Plan will be discussed by the AASB at its October meeting and will return to the AASOC at its December meeting.

6. AASOC Member Attendance at AASB Meetings

Further to the discussion held during the review of the Ad Hoc Committee framework paper, the dates for the scheduled 2009 AASB meetings were distributed and AASOC members were asked to review their schedules and advise at which meeting(s) they would be able to attend to monitor the AASB.

7. Future AASOC Meetings

The Chair outlined matters to be placed on agendas of future AASOC meetings, including quality control and the fact that it does not cover compilation engagements, independence standards, and, the need for the AASOC to be briefed on the comments received on the exposure draft for Section 7500 *Assistance to Directors*.

8. AASOC Membership

The matter of the AASOC membership was discussed given that one member had recently retired and two or three additional members would be retiring within the next few months. The AASOC agreed on the importance of having good representation as opposed to concentrating on the size of Council. With that in mind, the AASOC recommended to the Nominating Committee that it seek two prospective members from Western Canada, one of whom is an auditor of public companies. In total, the AASOC Nominating Committee was asked to recruit four members.

9. Date of next meeting

The next meeting of the AASOC will be December 18, 2008 at the at a location yet to be determined.

David Brown, Chair

Jan Burns, Secretary