

Practitioner's Pulse Webinar

Special Edition: Impact of COVID-19

APRIL 2, 2020

Today's Agenda

Practice Management Considerations

- Firm's operations
- People
- Clients

Financial Reporting Implications of COVID-19

Auditing Implications of COVID-19

Covid-19 Information Resources

<https://www.cpacanada.ca/en/members-area/covid-19-resources>

- [Business continuity in a crisis: COVID-19 challenges](#)
- [Avoid fraud and identity theft in times of crisis](#)
- [COVID-19: External resources related to reporting and auditing](#)
- [Federal government COVID-19 tax relief updates](#)
- [Webinar April 16, 2020 – Canadian Public Company Financial Reporting Update: Q1 2020](#)

Audience Polling Questions

QUESTION 1

Do you work primarily in:

- a) Audit (public practice)
- b) Tax (public practice)
- c) Advisory (public practice)
- d) A public, private, not-for-profit or government organization

Today's Speakers



Michael Paterson
PwC Canada



Jean-François Trépanier
Raymond Chabot
Grant Thornton



Guy Thomas
Davidson & Company

Practice Management – Impact

- Firm's operations
 - Working remotely using technology
 - Changes in timelines
- People
 - Health and safety
 - Support
- Clients
 - Communication
 - Changes in their needs

Audience Polling Questions

QUESTION 2

What topic(s) are you most interested in hearing about in more depth?
(please click all that apply)

- a) Collaborating and servicing your clients
- b) Flexible working arrangements
- c) Technology solutions on working remotely
- d) Remote team building and culture
- e) Business model and short-term/long-term strategies

Financial Reporting Considerations

Impact of COVID-19 on financial statements for periods ending on or before December 31, 2019 (not yet issued)

- Subsequent events
 - non-adjusting events
 - disclosure of non-adjusting events that:
 - a) cause significant changes to assets or liabilities in the subsequent period; or
 - b) will, or may, have a significant effect on the future operations of the enterprise.
- Going concern assessments
 - take into account all available information about the future, which is at least, but is not limited to, twelve months from the balance sheet date

Financial Reporting Considerations (Cont'd)

Impact of COVID-19 on financial statements for periods ending March 31, 2020 (and after)

- Pervasive implications, including on:
 - Impairment evaluation – non-financial assets, goodwill, indefinite life intangible assets, financial instruments
 - Estimates
 - Expected credit losses
 - Loan defaults and covenant breaches
 - Provisions and employee benefits
 - Going concern
 - Risk disclosures
 - Interim reviews

Audience Polling Questions

QUESTION 3

What topic(s) are you most interested in hearing about in more depth?
(please click all that apply)

- a) Subsequent events
- b) Going concern assessments
- c) Impairment evaluation
- d) Loan defaults and covenant breaches
- e) Provisions and employee benefits
- f) Risk disclosures
- g) Interim reviews

Regulatory Announcements

- [Federal government COVID-19 tax relief updates](#)
- [Canadian Securities regulators publish blanket relief for market participants due to COVID-19](#)
- [Canadian Public Accountability Board \(CPAB\) notice on COVID-19 audit implications](#)

Key Auditing Implications for Dec. 31, 2019 Year-Ends

- Evidence obtained in electronic format
 - Heightened vigilance and professional skepticism
 - Investigate further if believe that a document may not be authentic or has been modified
- Use of external confirmations
 - Electronic format
 - Other nature of procedures
- Assessment of the entity's ability to continue as a going concern
 - Events or conditions that may cast significant doubt on the entity's ability to continue as a going concern?
 - If yes, determine whether a material uncertainty exists

Additional Auditing Implications for March 31, 2020 Year-Ends

- Pervasive implications, including on:
 - Inventory counts
 - Identifying and assessing risks
 - Fraud risks
 - Group audits
 - Testing of estimates
 - Testing controls and possible lapses in those controls
 - Analytical procedures

Audience Polling Questions

QUESTION 4

What topic(s) are you most interested in hearing about in more depth?
(please click all that apply)

- a) Audit Evidence (including authentication of documents, inventory counts, etc.)
- b) Group Audits
- c) Auditor Reporting
- d) Going Concern
- e) Subsequent Events
- f) Professional Skepticism/Fraud

Audience Polling Questions

QUESTION 5

Is there a particular area for which you need guidance in more depth?
(please click one)

- a) Practice management
- b) Accounting guidance
- c) Audit guidance
- d) Tax guidance
- e) None needed

Questions?

More information / COVID-19 Resources:
<https://www.cpacanada.ca/en/members-area/covid-19-resources>

Thank you!

