

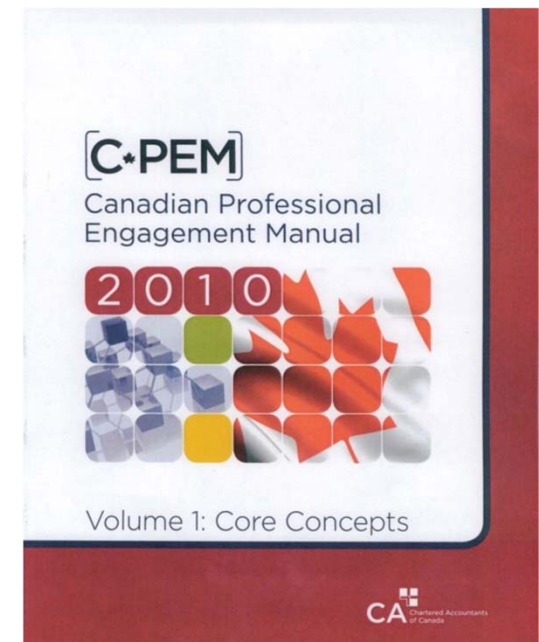


An overview of C-PEM

March 2011

C-PEM

- A completely new version of PEM that:
 - Reflects the new clarified CASs
 - Additional guidance on reviews and compilations
 - Aims for an enlarged base of users
 - An attractive book (in full color) for partners/staff to read on the bus/train/gym workout or at home
 - More practical “how to” guidance
 - Integrated case studies and completed forms/memos

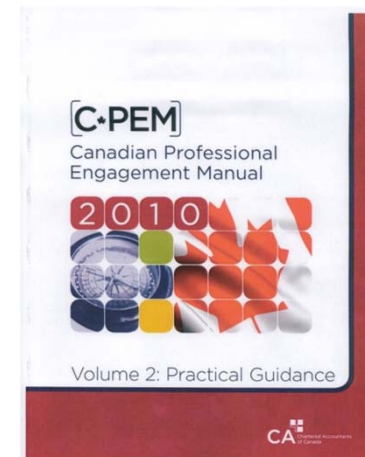
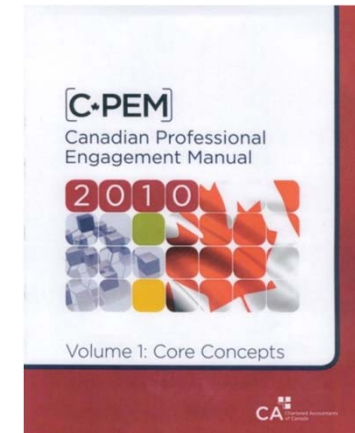


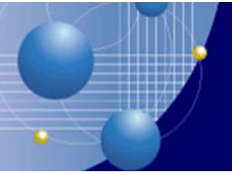
C-PEM

- Introducing C-PEM

- Volume 1 Core concepts
 - Audits, reviews and compilations

- Volume 2 Practical Guidance
 - Includes 2 integrated case studies*
 - Part A Audits
 - Part B Reviews
 - Part C Compilations
 - Part D Practice Aids
(forms, etc. on a CD)





The C-PEM Case Studies

	Case Study A – Cambridge Furniture Inc.	Case Study B – Kennedy & Co.
Business	Furniture manufacturing	Furniture manufacturing
Sales	\$1.5 million	\$ 230,000
Staff	8	2 + owner
Sample audit documentation provided in C-PEM Volume 2	Primarily standard C-PEM forms	Primarily memos to file and condensed C-PEM forms



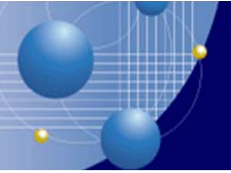
Reality of Small Audits

- Limited number of F/S users
 - Reduced risk

- Unsophisticated business processes and accounting systems
 - Ownership is concentrated and few employees
 - Nature/quality of audit evidence available is less than larger entity

- **Cost** of an audit
 - disproportionately high as compared to larger entities





CAS Applicability to SMEs

	Larger entities	Smaller entities
CAS Objectives	✓	✓
'Auditor shall..'	✓	✓
Application & other material	Practical guidance on meaning and implementation	Practical guidance + Considerations Specific to Smaller Entities

C-PEM File Layout

Reporting

- 100 Financial Statements & Audit Report (*no forms*)
- 200 Income Taxes (*no forms*)
- 300 File Completion documents and sign offs

Risk Assessment

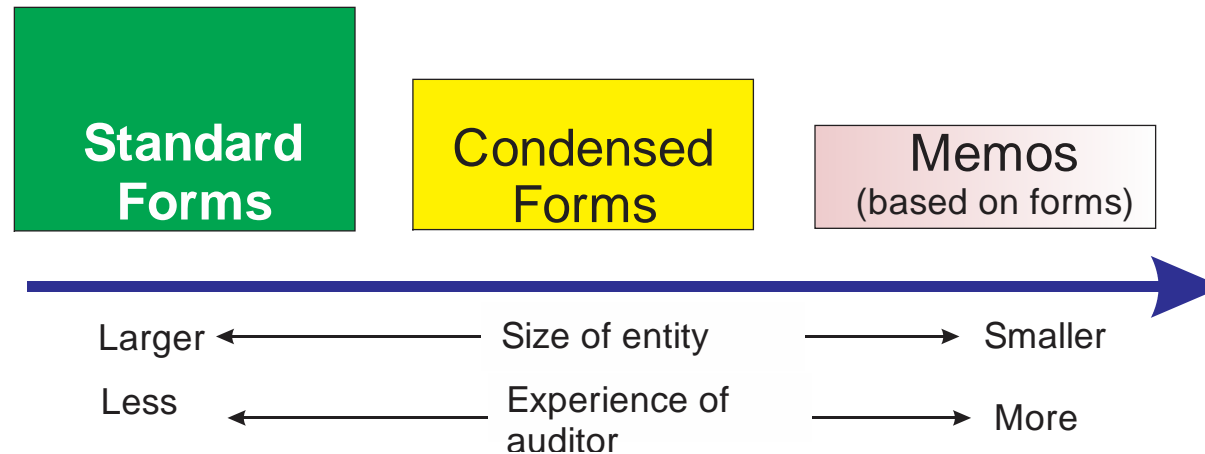
- 400 Client acceptance and Planning
- 500 Risk Assessment

Risk Response

- 600 Response to assessed risks
- A-Z Audit plans and procedures (A/C balances)
- 700 Audit plans and procedures (Income statement)

NOTE: Some form numbers have changed to better reflect their position in the audit process

C-PEM Forms



C-PEM Forms facilitate:

- Compliance with CAS requirements
- Ease of use with new objectives and instructions
- Capture of relevant audit evidence in one place
- Reuse (after updating) - for up to 3-4 years
- Ease of file review

C-PEM Forms require some staff training on their use.

Designed for use by a knowledgeable auditor

C-PEM "Worksheets" are ONLY to be used *when applicable*

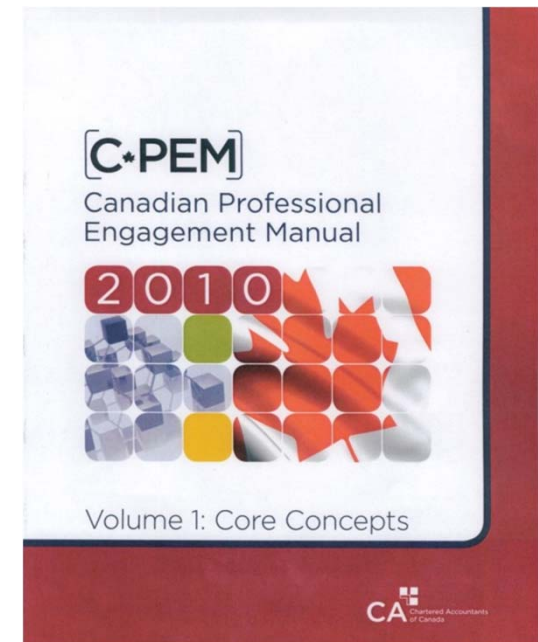
F/S Presentation and Disclosure *(900 series)*

900 – 999 FINANCIAL REPORTING FRAMEWORKS		
905	FRF — Accounting standards for private enterprises	July 2011–
959	FRF (Financial reporting framework) — Existing Canadian GAAP ☐☐☐	Read first
960	FRF — Existing GAAP — General	☐
962	<i>Worksheet</i> FRF — Income taxes	
963	<i>Worksheet</i> FRF — Long-term investments	
964	<i>Worksheet</i> FRF — Leases	
965	<i>Worksheet</i> FRF — Deferred charges, intangibles and goodwill	
966	<i>Worksheet</i> FRF — Employee future benefits	
967	<i>Worksheet</i> FRF — Financial instruments	
968	<i>Worksheet</i> FRF — Supplementary	

ASPE Checklists out soon

C-PEM

- Updated every Summer
- Focus on C-PEM web site for new standards and changes
- Ideal training tool
 - Extra copies available for staff members
 - User friendly forms



How FocusROI can help....

Standard/customized training courses

- Half day course on performing effective audits
- One day course on the new CAS requirements
- Two day course on implementing CASs using the new CPEM

Fees:

Affordable flat rate fees - no matter how many people attend.

Accounting Firm monitoring (Firm and engagement level)

- Meet the requirements of CSQC1
- Use our low cost self evaluation tool and remote file inspection services
- Identify potential for audit efficiencies and any areas of weakness to be addressed
- Guidance on using CPEM forms effectively

Fees:

Email us at info@focusroi.com for a no obligations quote



Your Questions are Welcome

Email us at info@focusroi.com

