

# PAC ANNUAL CONFERENCE

## PROFESSIONAL ACCOUNTING FUTURES

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### *Impact of Macro-economic Developments on the Accounting Profession – Accounting Standards, Estimates, Auditing and the Profession in General*

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Professional Accounting Centre

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MISSISSAUGA

## Disclaimer

The views I am about to express are my own, and are not necessarily representative of the Ontario Securities Commission or its staff.

# Economic Uncertainty and Financial Reporting – securities regulatory observations and areas of interest

## Financial statement preparation – Management

- Increasing estimation uncertainty
  - Going concern
  - Subsequent events
  - Significant judgments & estimates
  - Impairment
  - Inconsistencies with Management Commentary
  - Risk of inappropriate earnings management practices
  - Risk of inappropriate non-GAAP measures
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# Economic Uncertainty and Financial Reporting – the Three-legged Stool

## Audit Committee

- Oversight
- Meaningful dialogue with management – probing questions
- Appropriate expertise
- Sufficient engagement with external auditor

## Auditor

- Risk assessments, fraud risk
- Professional skepticism
- Reasonableness of assumptions
- Scrutinize going concern assessments and mitigation plans