

CICA Guidance on implementing internal controls over financial reporting

The CICA has two new publications to provide guidance to management and directors for implementing Multilateral Instrument 52-109 Internal Controls over Financial Reporting (MI 52-109).

Design of internal control over financial reporting

<p>2006 Annual Certificates</p>	<p>In their annual certificates for 2006, CEOs and CFOs will have to certify on the design of internal control over financial reporting.</p>
<p>Guidance for Management</p>	<p>The Next Wave of Certification, Guidance for Management</p> <p>This 74-page publication provides CEOs and CFOs (and other management) with a top-down, risk-based process to follow in certifying the design of ICFR, including a methodology for assessing ICFR design weaknesses and deciding on necessary disclosures.</p> <p>The publication is consistent with our PwC risk-based approach to assisting clients in implementing MI 52-109.</p>
<p>Guidance for Directors</p>	<p>The Next Wave of Certification, Guidance for Directors</p> <p>This 50-page publication provides audit committees and boards with an overview of the top-down, risk-based process suggested for CEOs and CFOs to follow in certifying the design of ICFR, and an understanding of the implications for board members of the new components of the CEO and CFO certifications. It also offers a set of 20 questions that an audit committee may wish to ask management about the ICFR certifications.</p> <p>We are finding that clients are already turning to the publications for guidance as there is little definitive guidance from the Canadian Securities Regulators or other independent bodies. That being said, significant judgment is still needed by management in applying the concepts and guidance in the publication – which is where PwC can really help.</p>
<p>For more information</p>	<p>Navigating the New World : Multilateral Instrument 52-109 and Notice 52-313</p> <p>This PricewaterhouseCoopers publication provides an overview of our "risk and extent" approach to internal control over financial reporting. This is a pragmatic approach that is cost-effective for all organizations, since it is risk-based, tailored to a company's particular situation and circumstances, and phased in over a two-year period.</p> <p>Contacts</p> <p>PricewaterhouseCoopers Partner Mike Harris is a member of the CICA's Risk Management and Governance Board, and participated in the editing of the CICA documents. Please contact Mike (416 941 8256).</p> <p>As always, please feel free to contact your local PricewaterhouseCoopers professional for more information.</p>