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SOME ASPECTS OF AUDITING EVOLUTION IN CANADA

Abstract: A chronology of significant changes in Canadian auditing legislation, pronouncements and practices, from the late nineteenth century to the present, reveals the strong influence of English and American sources. The evolution of mandatory audits, of profit and loss audits, and of the wording of the standard audit report demonstrates these influences.

The sources of influence that have shaped auditing in Canada are an interesting interplay of English and American influence acting upon, and together with, the unique elements of the Canadian scene. The English influence is felt largely in the tradition of legislation found in the Canadian Companies Acts that have prescribed the role of the auditor. The American influence is felt through the proximity and pronouncements of the American Institute of Certified Public Accountants. The uniquely Canadian influence is manifested through the recommendations and pronouncements of the Institutes of Chartered Accountants, the various income tax acts, and the business and financial critics responding to corporate reporting inadequacies and business failures.

This paper will attempt to chronicle the changes that have taken place over time and to indicate, where possible, the sources of that influence. Attention is directed to the Canadian federal legislation and its forerunner in the province of Ontario. The aspects of auditing which are studied and which it is hoped will be illustrative of the influences are the evolution of the legislation that made audits mandatory, including the profit and loss (income statement) audit, and the evolution of the content of the auditor's standard report. The study begins with the Canadian legislation of the late nineteenth century and ends in the 1970s with the latest changes in the standard audit report. Evidence of the background and processes that have influenced change are obtained from the various incorporating statutes, debates of the House of Commons and the Senate that relate to incorporating legislation, committee reports—together

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with submissions and briefs by interested parties to these committees—recommending changes in incorporating legislation, financial press commentary, accountancy textbooks, professional periodicals such as *The Canadian Chartered Accountant* and the various provisions of income tax legislation. For the period 1904 to 1950 several audit reports were examined for varying periods of time in order to obtain an awareness of changes in actual audit report wording and, in particular, to monitor the actual practices of auditors with regard to the audit of profit and loss statements. From 1950 on, various studies and Institute compilations provide such evidence. The Appendix indicates the audit certificates examined.

The paper separates fairly tidily into four periods: Prior to 1910, 1910 to 1920, 1920 to 1940, and 1940 to the present. Some comments on actual profit and loss statement auditing practices are reserved for the end of the paper.

Prior to 1910

The pattern of Canadian legislation with respect to audit provisions and the auditor's duties is derived directly from the English legislation. In England, the Joint Stock Companies Act of 1844 required that an auditor be appointed.¹ In 1856, the mandatory aspect of this provision was abandoned; however, Table B of this enactment sets forth the "articles" which were to apply to all companies that did not register their own articles.

The auditors shall make a report to the shareholders upon the balance sheet and accounts, and in every such report they shall state whether in their opinion, the balance sheet is a full and fair balance sheet containing the particulars required by these regulations, and properly drawn up so as to exhibit a true and correct view of the state of the company's affairs and in case they have called for explanations or information from the directors, whether such explanations and information have been given by the directors and whether they have been satisfactory;²

The English Companies Act of 1862 provided for the Board of Trade to appoint inspectors to investigate a company's affairs provided that one-fifth of the shareholders made the request and conditional upon the Board being satisfied that the applicants are not "actuated by malicious motives."³ By 1900 the mandatory audit provisions were reinstated in the Companies Act of 1900.⁴ The duties of

the auditor were an elaboration of the provisions of the 1856 Act but the "full and fair" phraseology was dropped and the "true and correct" wording, retained.⁵ No substantive changes arose in the relevant audit provisions in the Companies (Consolidation) Act, 1908.⁶

The Province of Ontario reflected the English legislation more quickly than did the federal Canadian legislation. The Ontario Companies Act of 1897⁷ stipulated inspection clauses similar to those of the English enactment of 1862. Additionally, the annual shareholders' audit, while not made mandatory, was contemplated if the letters patent or the by-laws of the company so directed. In the event that an audit did take place, the duties of the auditor were specified. The wording of these duties is almost identical with that of the "model articles" of the English legislation of 1856. The Ontario Companies Act of 1907,⁸ following the pattern of the English enactment of 1900, made the shareholders' audit mandatory and the duties set forth in the enactment were identical with those of the English Act.

As late as 1900 there were no inspection or audit provisions in federal legislation. However, the Companies Act of 1902,⁹ in the manner of the English Companies Act of 1862 and the Ontario Companies Act of 1897, allowed shareholders (representing at least one-fourth in value of the issued capital) to petition a judge to appoint an inspector to investigate the affairs and management of the company. The requirement that the judge be assured that good cause be shown for such investigation and that the applicants "are not actuated by malicious motives in instituting" the action marks the period in Canada as one of transition between the business freedom of the nineteenth century and the growing legislative concern and regulation that characterizes the twentieth century.¹⁰ Legislative debate that preceded the passing of the Act was concerned with whether such inspection clauses would be used "to embarrass the company."¹¹

By 1910 therefore, Ontario legislation, but not federal Canadian legislation, had provisions for mandatory audits and outlined in broad terms the duties of the auditor with respect to his report. These provisions have almost identical wording with that of antecedent English legislation. Two underlying features are worthy of note here. First, comments by the Under Secretary of State (Canadian) and former Assistant Provincial Secretary of the Province of Ontario, Mr. T. Mulvey, indicate that the legislative provisions for detailed disclosure in balance sheets in the federal 1917 Companies Act, ". . . were first suggested by the Board of the In-

stitute of Chartered Accountants of Ontario in the drafting of the Ontario Companies Act of 1907. . . ."¹² The inference that the Institute of Chartered Accountants of Ontario would also be more than moderately interested in advocating the compulsory audit provisions of the Ontario Act of 1907 is hard to dispel. Second, Ontario legislation predates the federal Canadian legislation by some ten years in this regard. The early provincial initiative may be because Ontario was the leading center of commercial and industrial activity in Canada and, if one is to judge by Mulvey's remarks, the Institute of Chartered Accountants of Ontario was quite active and vigorous.

1910 to 1920

Littleton and Zimmerman have outlined the contrast in the evolution of auditing between England and the United States. In the granting of the privilege of limited liability to corporations, English law has required that, in the public interest, there be disclosure of financial information and that such disclosure be attested to by auditors.¹³ The American tradition for auditing, however, has arisen out of the need for an external independent commentary on credit-worthiness.¹⁴

The federal audit legislation of 1917 was a direct copy of the Ontario legislation of 1907 and the English legislation of 1900.¹⁵ The speech that introduced the legislation to the House of Commons and the subsequent House debates provide little explicit reasoning for audit compulsion other than the fact that federal legislation lagged behind English and provincial (Ontario) legislation.¹⁶ However a number of events were occurring in Canada at the time that made the English tradition for legislating in the public interest, through the vehicle of the Companies Acts, inevitable.

Undoubtedly the desire to "catch up" with the provincial legislation and to clearly indicate that incorporation matters fell within the federal domain as well as that of the provincial were important. Similarly, the banking failures and subsequent banking legislation of 1913¹⁷ together with the rash of commercial and industrial failures in 1914 and 1915¹⁸ would have been influential.¹⁹ Of probably greatest significance, however, was the imposition of the Tax Acts of 1916²⁰ and 1917²¹ and the difficulty acknowledged by the Minister of Finance due to insufficient staff, in administering these regulations.²² Under these circumstances the desirability of the mandatory audit and the additional minimum disclosure provisions of the 1917 Act is beyond doubt. In the first place, corporate accounting would

be made more uniform and comparable, thereby satisfying the tax need for "equity"; furthermore, corporate accounting as reflected in audited financial statements would be attested to by a respected professional, thereby decreasing the need for an expanded tax-audit department since there would be an independent and objective witnessing to the corporate financial statements. The completeness of the audit and disclosure provisions and the Tax Acts was acknowledged by commentators of that time.^{23,24}

No additional evidence of professional or commercial concern for the mandatory audit was located in a review of articles and editorials in *The Canadian Chartered Accountant* and the *Financial Post* up to 1917. It is likely that the 1917 legislation muted the effect that the publishing of *Uniform Accounting* by the Federal Reserve Board in 1917 might have otherwise had.²⁵ *Uniform Accounting*, set forth in fair detail the accepted auditing procedures for the "balance sheet" audit and provided a model auditor's report that included an opinion on the profit and loss statement.

The fulfilling by the auditor of the duties imposed by the English Act of 1900, the Ontario Act of 1907 and the Canadian Act of 1917 provided a ready format for the form and content of an auditor's report. R. Kettle indicates that legal advice, secured by the Institute of Chartered Accountants of England and Wales in 1908, suggested that the auditor's report take the following form:

We have audited the balance sheet of ABC Ltd., dated the 31st December, 1908 as above set forth.

We have obtained all the information and explanations we have required.

In our opinion, such balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given us and as shown by the books of the Company.²⁶

For many firms,²⁷ the transition to a stronger acknowledgement of the "legal" wording occurred immediately subsequent to the 1917 legislation.

1920 to 1940

The first decade of the inter-war years of 1920 - 1940 were, for England, United States and Canada, the time of "normalcy"—for "business-as-usual." However, the stock market crashes and the subsequent depression of the 1930s altered the attitude of society

towards the capitalist system prevalent in all three countries. Though England and Canada in slow, measured and evolutionary steps had, since 1850, led the way in respect to statutory, mandatory audits and the elaboration of auditors' duties relating to the financial statements, the American Securities Acts of 1933 and 1934 brought the United States quickly abreast. Indeed the Securities Acts requirement for a mandatory audit of the profit and loss statement was only imposed by legislation in England in 1947, Ontario in 1953, and Canada in 1964-65.

In Canada, much of the concern during this period related to the inclusion of the profit and loss statement in the auditor's opinion and the resolution of the auditor's standard report wording. The period 1930 to 1940 may well mark a transitional decade for Canada as it began to recognize the influence of the United States as well as that of England. The geographic proximity, the increasing investment of the United States in Canada and the articulateness of the American Institute of Accountants were all compelling reasons for this transition.

Neither the English Companies Act, 1928²⁸ nor the Canadian Companies Act, 1934²⁹ made any significant changes in the statutory audit provisions under examination. The changes in Canadian legislation dealt mostly with increasing the information content of the annual financial statement. Professor R. G. H. Smalls, writing at the time, implied the influence of the English legal case involving the Royal Mail Steam Packet Company, which arose in 1930, shortly after the English legislation.³⁰ The case related to the profits as represented by the Company and whether the augmenting of these profits through the use of secret reserves should be disclosed in the statement. Though the influence of the case was recognized, that influence did not extend to the *requirement* to have the auditor render an opinion on the profit and loss statement; rather the influence seemed to find expression in a *desire* for more disclosure in the profit and loss and earned surplus statements. The only new auditing provision relating to the form and content of the auditor's report in the 1934 Canadian Act related to the requirement to disclose the treatment of the losses and gains of subsidiaries.³¹ This provision is a direct copy of the English legislation of 1929.³²

Despite the lack of legislative action, Canadian concern for mandatory audited profit and loss statements during the 1930s was becoming more evident. *The Verification of Financial Statements* issued jointly in 1929 by the Federal Reserve Board and the American Institute of Accountants placed much more emphasis on the importance and verification of the profit and loss statement than

did their earlier statement of 1917 in *Uniform Accounting*. This emphasis, later supported by requirements of the Securities Acts, was carefully reported and scrutinized in *The Canadian Chartered Accountant*. The anomaly of rendering an opinion on the balance sheet while excluding one of its constituent aspects (albeit in summary form) had been pointed out from earliest times.^{33,34}

Differences in opinion regarding the auditor's legal responsibility existed. Smails,³⁵ in his widely-used text, argued that the auditor was responsible only if the details of the profit and loss account were set forth in the balance sheet, whereas Clapperton,³⁶ using the Royal Mail case as precedent, argued the opposite. Over and above the aspects of legal responsibility, there was growing concern that legislation should explicitly require that the profit and loss statement be audited. General commentary at the annual meeting of the Canadian Institute of Chartered Accountants (CICA) in 1941 supported this position.³⁷

During this period, increasing concern was evidenced for clarifying and making the auditor's report more uniform and standardized. *The Financial Times* suggested that ". . . the wording of certificates and reports should be such that double meanings are impossible and no opportunity given for drawing deductions not intended."³⁸ Professor C. A. Ashley writing in *The Financial Post* in 1933, indicated that the general public and some members of the accounting profession were greatly disturbed about auditors' reports. Regarding the widespread use of report qualifications, he states that ". . . it is becoming fantastic. Soon we shall be reading without surprise 'subject to the assets and liabilities being correctly stated.'"³⁹

By 1940 in the United States, much of the current standard audit report had evolved. In 1929, *Verification of Financial Statements* recommended a test audit based upon review of the internal control.⁴⁰ In 1932, the Special Committee of the American Institute of Accountants on Cooperation with Stock Exchanges recommended inclusion of a note suggesting: that the accounting records had been tested but that no detailed audit was made; that the profit and loss statement be included in the audit; and that the statements should reflect accepted principles of accounting consistently maintained during the year under review.⁴¹ With regard to the use of this model auditor's report, the Committee indicated that "the certificate is appropriate only if the accounting for the year is consistent in basis with that of the preceding year."⁴² This model report was later included in the American Institute booklet *Audits of Corporate Accounts* in 1934.⁴³ By 1939, the American Institute pamphlet *Ex-*

tensions of Auditing Procedures suggested that the concept of “consistency with that of the preceding year” be incorporated into the audit report itself.⁴⁴ In 1941, following the report of the SEC enquiry into the McKesson and Robbins fraud, the Institute on the recommendation of the Commission suggested that the wording be revised to acknowledge that the audit was performed “in accordance with generally accepted auditing standards.”⁴⁵

The influence of American events is evidenced in an editorial in *The Canadian Chartered Accountant* in 1937 that discusses the merits of a model report recommended by the American Institute in 1934—in particular with regard to “a general review being made but not a detailed audit” and “in accordance with accepted principles of accounting consistently maintained.”⁴⁶ Similarly the topics for discussion pertaining to the auditor’s report at the annual meeting of the Canadian Institute in 1938 outline features which had already been agreed upon in the United States.⁴⁷ These topics related to a concern for testing transactions rather than providing a detailed audit, certifying the profit and loss statement, replacing the “true and correct” wording, and acknowledging the consistency of application of accepted principles of accounting. Additional topics related to whether or not the Canadian Institute should defer action until the English Companies Act had been revised (an event which was not to happen for nine more years!) and whether the existing wording in the American audit report should be adopted in its entirety in Canada. Debate on these matters continued at the Institute annual meeting of 1941.⁴⁸ Here there was additional acknowledgement that the report wording related less to delimiting the auditor’s legal duties or responsibilities and more to the general instruction of the reader.

The war had, by this time, intervened so completely in the affairs of the country that no Institute action was possible at that time. It was not until 1951 that the Institute issued its first bulletin on the auditor’s report.⁴⁹

1940 to the Present

Though the Institute did not make recommendations on a standard auditor’s report until 1951, the Canadian auditor was not bereft of guidelines. He continued to do what had been done during the 1930s; that is, he used the wording of the legislative statutes and interwove into this, often in a somewhat unmethodical manner, the changes that had been and were being introduced in the United States.

The English Companies Act of 1947⁵⁰ provided the first changes in that country since 1908 in the statutory requirements relating to the content and wording of the standard auditor's report. The auditor was now obliged to include in his report an opinion on the profit and loss statement as well as the balance sheet and to comply with the Ninth Schedule of the Act. The latter required an explicit statement by the auditors as to whether: all necessary information had been obtained; proper books of accounts had been kept; and financial statements agreed with the books. There was no requirement concerning conformity with "generally accepted accounting principles applied on a basis consistent with that of the preceding year."

The 1948 Act required rather lengthy wording which was drastically reduced in the provisions of the Companies Act, 1967. Here the auditor was simply required to state whether the balance sheet and profit and loss were "properly prepared in accordance with the provisions of the principal Act." The items contained in the Ninth Schedule of the 1947 Act are presumed to hold unless otherwise stated by the auditor.⁵¹ Under the requirements of the Companies Act, 1967, the Institute of Chartered Accountants in England and Wales recommended the following standard report:

In our opinion, the accounts set out on pages to give a true and fair view of the state of the company's affairs at and of its profit (or loss) for the year ended on that date and comply with the Companies Acts, 1948 and 1967.⁵²

The Corporations Act, 1953⁵³ of the Province of Ontario represents the first modern corporate legislation in Canada relating to accounting and auditing matters. The audit requirements of that Act together with an amendment in 1964⁵⁴ requiring insertion in the report of the wording acknowledging adherence to "generally accepted accounting principles applied on a basis consistent with that of the preceding period" constitute the identical legislation enacted federally in 1964-1965 under the Canada Corporations Act. This legislation proceeds directly from recommendations of the Institute of Chartered Accountants of Ontario⁵⁵ and the Canadian Institute of Chartered Accountants.⁵⁶ It was in this provincial Act that the auditor was first obliged to render an opinion on the profit and loss statement.

The Canada Corporations Act, 1964-1965 is identical with the Ontario Companies Act as amended in 1964.⁵⁷ The strong influence

of the Ontario legislation and the Canadian Institute was explicitly acknowledged by the Standing Committee on Banking and Commerce that was appointed to consider changes in corporate legislation.⁵⁸ The Canadian federal legislation of 1964-1965 provided the first substantive federal changes in the auditing matters being considered in this paper, since the audit was made mandatory in 1917. It should be emphasized that it was in this 1964-1965 Act that the auditor, under federal Canadian legislation, was first obliged to render an opinion on the profit and loss statement. The federal legislation was somewhat anti-climatic in its effect since Canadian audit practices by that time had been influenced by the Ontario legislation of 1953, the CICA audit pronouncements beginning in 1951, and, since the mid 1930s, by American practices and American Institute pronouncements.

In 1951, the Committee on Accounting and Auditing Research of the Canadian Institute issued its first recommendations on auditors' reports in Bulletin No. 6. The recommended wording was:

I have examined the balance sheet of the
Company Limited as at, 19.. and the
statements of profit and loss and surplus for the year
ended on that date and have obtained all the information
and explanations I have required. My examination in-
cluded a general review of the accounting procedures and
such tests of accounting records and other supporting
evidence as I considered necessary in the circumstances.

In my opinion the accompanying balance sheet and
statements of profit and loss and surplus are properly
drawn up so as to exhibit a true and correct view of the
state of the affairs of the company as at,
19.. and the results of its operations for the year ended
on that date, according to the best of my information and
the explanations given to me and as shown by the books
of the company.⁵⁹

The recommended report represents a careful selection and paraphrasing of the existing 1947 English and 1934 Canadian legislation. However from this time on, the increasing influence of the American tradition is felt in the evolution of the report. By 1948, the standard American audit report had evolved into its present-day form. It is repeated here because it represents the virtually identical wording toward which the CICA carefully and slowly struggled from its earliest pronouncement in 1951.

We have examined the balance sheet of X Company as of December 31, 19. ., and the related statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and surplus present fairly the financial position of X Company at December 31, 19. ., and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.⁶⁰

In 1959 a revised Committee recommendation, CICA Bulletin No. 17, called for substitution of the phrase, "presents fairly" for "exhibits a true and correct view," the deletion of "having obtained all the information and explanations required," and also for the inclusion of the phrase "in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year."⁶¹ The Committee indicated that the recommendation of 1951 contemplated the implication of the phrase and that upon reconsideration it was felt that it should be more positively disclosed.⁶² The only remaining substantive differences were the inclusion in the Canadian report of a reference to "the examination included a general review of accounting procedures" and in the American report of a reference to "the examination being made in accordance with generally accepted auditing standards." In this regard, the CICA Report of the Special Committee on Shareholders' Audits in 1968 recommended that when the Accounting and Auditing Research Committee completes its study of auditing standards, the standard "Canadian short form report could then be amended, if thought desirable" to include this phrase.⁶³ Publication in 1975 of "Generally Accepted Auditing Standards" by the CICA⁶⁴ mirrored those of the 1963 American standards.⁶⁵ This enabled the deletion of the reference to "a review" in the Canadian report and a substitution of reference to "standards" in 1976.⁶⁶

Actual Profit and Loss Auditing Practices

The history of balance sheet and profit and loss auditing practices is an interesting example in which actual practice initially leads

legislation, is later brought down to a lower legislative standard, and eventually reverts to a leadership role once again.

It was not until the provincial legislation of 1953 and the federal legislation of 1964-65, that the auditor was specifically obliged to render an opinion on the profit and loss statement. Audits of profit and loss statements were, however, quite commonplace before these times. In two of the five sample reports prior to 1910, and in seven of the eight reports from 1910 to 1917, an opinion was rendered on this statement. Indeed, despite the 1917 legislation which required only a balance sheet audit, the profit and loss opinion was dropped in only two of the seven instances from 1918 to 1920.

During the period 1920 to 1940, the practice of including the profit and loss statement in the report ended. None of the eight audit reports examined represents an exception to this statement. Similarly, in a report on the variety in report wording that persisted during this period, *The Canadian Chartered Accountant*, in 1938, enumerated twelve auditor's reports, of which only two rendered a profit and loss opinion.⁶⁷ It would seem therefore, that the legislation of 1917 and similar legislation of 1934 did eventually have the effect of reducing the scope of the auditor's opinion during this period.

Beginning in the early 1940s, however, and well before legislative and Institute requirements, the auditor's report began to include the profit and loss statement once again. By 1943, five of the nine reports inspected did render an opinion on that statement and, with one exception, the remainder followed the Institute recommendation of 1951 at that time. The results of an analysis of 280 firms by the Canadian Institute revealed that in 1951, two-thirds of the auditors' reports included an opinion.⁶⁸ By 1956, only nineteen of 300 firms analyzed in *Financial Reporting in Canada* did not do so.⁶⁹

Summary

The provisions for the mandatory audit and the auditor's responsibilities in regard to financial statements as initially set out in the Ontario provincial legislation of 1907 and the federal legislation of 1917 were heavily influenced by the English legislation of the preceding decade. No significant changes in legislation occurred, nor did Canadian Institute pronouncements begin, until the early 1950s. During the early part of that intervening period, audit report wording tended to follow closely the statutory "legal" wording. After the American Institute pronouncements had begun in the 1930s, there

was an increasing tendency to be influenced from that source. All of the many American audit pronouncements during that early formative 1930-1950 period were reprinted and commented on in the Canadian journal and the wording which the American Institute was beginning to formulate was gradually creeping into the Canadian audit reports. This influence has increased to the point where by 1976, no substantive differences exist between the Canadian and American reports. Given the articulateness of the American Institute and the geographic proximity and commercial influence of the United States, including the association of American and Canadian auditing firms and the listing of many Canadian corporations on American stock exchanges, it is unlikely that the Canadian audit report would have otherwise evolved.

Neither the Ontario legislation of 1907 nor the federal legislation of 1917 required a mandatory audit of the profit and loss statement. However, prior to the 1920s, most auditors, in our sample, did render an opinion on that statement. That opinion was dropped during the 1920s and 1930s. By the early 1940s however, though no legislation nor Institutes required it, most auditors were again providing such an opinion. This particular chronology is an interesting example of legislation first serving to lower and then later, being led by existing auditing practices. Undoubtedly the American practice of reporting on this statement since 1933 was influential in Canada.

The influence of the Institute of Chartered Accountants in Canada has become of increasing importance in shaping the auditor's report since their first recommendation in 1951. Committees appointed to enquire into changes in Companies Acts have, since 1950, carefully requested the views of the Institutes. It is interesting to note that, at two of the most fateful junctures in Canadian auditing history—the introduction of the mandatory audit on the balance sheet in 1907 and on the profit and loss statement in 1953—the influence of the Ontario Institute on the Ontario legislation has been acknowledged to be of the greatest importance. In both instances, the provincial legislation predated the federal legislation by at least ten years.

Appendix

List of Audit Reports Examined

Firm Audited	Auditing Firm¹	Period
Canadian Locomotive	Geo. A. Touche	1912-1930
Cockshutt Plow	Deloitte, Plender, Griffiths	1911-1939
Canadian Westinghouse	C. S. Scott	1904-1920

Canadian Cannery	Price Waterhouse	1923-1939
Dominion Steel & Coal	Price Waterhouse	1909-1920
Dominion Textile	P. S. Ross & Sons	1906-1920
Howard Smith Paper Mills	P. S. Ross & Sons	1926-1939
Massey-Harris Company	Clarkson, Gordon, Dilworth	1923-1939
Ogilvie Flour Mills	Creak, Cushing & Hodgson	1909-1920
Penmans	C. S. Scott	1913-1939
Steel Company of Canada	Riddell, Stead, Graham & Hutchison	1910-1939
Russell Industries	Edwards, Morgan	1920-1939
British American Oil	Clarkson, Gordon	1940-1950
Burns & Co.	Peat, Marwick, Mitchell	1940-1950
Canada & Dominion Sugar	Clarkson, Gordon	1940-1950
Consolidated Paper	Touche, Ross	1940-1950
Distillers Corporation Seagrams	Price Waterhouse	1940-1950
Dominion Bridge	Riddell, Stead, Graham & Hutchison	1940-1950
Famous Players	Price Waterhouse	1940-1950
Imperial Tobacco	Deloitte, Plender, Haskins & Sells	1940-1950
Ontario Steel Products	McDonald, Currie	1940-1950

¹Indicates name of auditing firm for majority of time period.

FOOTNOTES

¹Great Britain, Statutes, (1844), c. 110.

²Great Britain, Statutes, (1856), c. 47.

³Great Britain, Statutes, (1862), c. 89.

⁴Great Britain, Statutes, (1900), sec. 21.

⁵Great Britain, Statutes, (1900), sec. 23.

⁶Great Britain, Statutes, (1908), c. 69.

⁷Ontario, Statutes, (1897), sec. 77.

⁸Ontario, Statutes, (1907), secs. 123 and 130.

⁹Canada, Statutes, (1902), sec. 79.

¹⁰Canada, Statutes, (1902), sec. 79.

¹¹Canada, Debates, (1902), p. 5059.

¹²Mulvey, (1920), p. 54.

¹³Littleton and Zimmerman, (1962), p. 81.

¹⁴Littleton and Zimmerman, (1962), p. 109.

¹⁵Canada, Statutes, (1917), sec. 11.

¹⁶Canada, Debates, (1917), p. 5920.

¹⁷Canada, Statutes, (1913), sec. 56.

¹⁸Urquhart and Buckley, (1965), p. 659.

¹⁹Goodman, (1917), p. 44.

²⁰Canada, Statutes, (1916), c. 11.

²¹Canada, Statutes, Tax Act, (1917), c. 28.

²²Canada, Debates, (1916), p. 2630.

²³Canada, Debates, (1917), p. 5937.

²⁴Parton, (1917), p. 99.

²⁵United States Federal Reserve Board, (1917), pp. 5-33.

²⁶Kettle, (1928), p. 337.

²⁷See for example, Canadian Westinghouse Company, Ogilvie Flour Mills, Penmans Limited and Dominion Textile.

- ²⁸Great Britain, Statutes, (1928), c. 45.
²⁹Canada, Statutes, (1934), c. 33.
³⁰Smalls, (1934), p. 283.
³¹Canada, Statutes, (1934), sec. 114 (2).
³²Great Britain, Statutes, (1929), sec. 126.
³³Grant, (1912), p. 111.
³⁴*The Canadian Chartered Accountant*, (1912), p. 208.
³⁵Smalls, (1933), p. 232.
³⁶Ciapperton, (1914), p. 81.
³⁷Round Table, (1941), p. 242.
³⁸As reported in *The Canadian Chartered Accountant*, Vol. 16, (November, 1927), p. 193.
³⁹Ashley, (1933), p. 9.
⁴⁰Cochrane, (1950), p. 450.
⁴¹Staub, (1942), p. 74.
⁴²Staub, (1942), p. 75.
⁴³American Institute, (1934), p. 47.
⁴⁴American Institute, (1939), p. 12.
⁴⁵American Institute, (1941), p. 39.
⁴⁶*The Canadian Chartered Accountant*, (1937), p. 178, and (May, 1938), p. 325.
⁴⁷Round Table, (1938), pp. 63-65.
⁴⁸Round Table, (1941), p. 242.
⁴⁹Canadian Institute, (1951), p. 3.
⁵⁰Great Britain, Statutes, (1947), c. 47.
⁵¹Great Britain, Statutes, (1967), sec. 14.
⁵²International Study Group, paragraph 100.
⁵³Ontario, Statutes, (1953), c. 19.
⁵⁴Ontario, Statutes, (1964), sec. 2.
⁵⁵Special Committee, Ontario, (1952), p. 2032.
⁵⁶Canadian Institute, (April, 1953), pp. 166-167.
⁵⁷Canada, Statutes, (1964-1965), sec. 124 (1), (2) and (3).
⁵⁸Canada, Senate Debates, (1964), pp. 515-518.
⁵⁹Canadian Institute, (1951), p. 3.
⁶⁰American Institute, (1948), p. 164.
⁶¹Canadian Institute, (1959), p. 3.
⁶²Canadian Institute, (1959), p. 2.
⁶³Canadian Institute, (1968), pp. 350-351.
⁶⁴Canadian Institute, *CICA Handbook*, Aug. 1975, sec. 5100.02.
⁶⁵American Institute, *Statement on Auditing Procedures No. 33*, (1963), pp. 15-16.
⁶⁶Canadian Institute, *CICA Handbook*, Dec. 1976, sec. 5400.17.
⁶⁷*The Canadian Chartered Accountant*, (August, 1938), pp. 135-139.
⁶⁸Canadian Institute, (July, 1953), p. 35.
⁶⁹Canadian Institute, *Financial Reporting in Canada*, (1957), p. 106.

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