

Early this year, EY released an extensive document on what Canadian Audit

Committees should focus on in 2025. The document outlines a wide ranging array of issues which really provide great guidance for not only audit committees but also boards and top management. As with such guidance provided by other major firms as well as Gartner, an area of prime importance is to prepare the company for agility and flexibility in dealing with rapid change especially given the uncertain political and economic environment.

But there are several more specific items addressed, including AI, cybersecurity, pending changes in accounting disclosure standards particularly in the field of ESG disclosures as well as the new IFRS 18, which calls for significant change in disclosure.

The observation is made that AI is often being adopted by companies without proper governance policies and procedures, which can lead to a significant risk element. It references the report by CPAB in September 2024 on this topic, among others.

Several references to likely changes in policy by the new US administration are key. For example, the process of slimming down the IRS staff is likely to slow down and complicate compliance issues where US tax is involved. And there's the obvious issue of adapting to tariffs. For Canadian tax, several recent changes have to be considered by companies. In the regulatory environment, the report mentions the changes brought by the CSA that will need to be dealt with.

It's along and detailed report that is difficult to summarize and even to pick out the highlights. The best approach is to download it from the EY website at [https://www.ey.com/en\\_ca/board-matters/what-canadian-audit-committees-should-prioritize-in-2025](https://www.ey.com/en_ca/board-matters/what-canadian-audit-committees-should-prioritize-in-2025) .