Agenda Item 13

Service Organizations – ISAE 3402

Objective of Agenda Item

1. To review the “second read” draft of ISAE 3402, including proposed conforming amendments to the Preface, and approve it for issue as an exposure draft.

Task Force Composition

2. The task force comprises
   - George Tucker, Chair, former IAASB Technical Advisor, Ernst & Young, USA, and member of ISA 402 task force
   - Romek Lubaczewski, PwC, Poland
   - Calum Thomson, Deloitte, UK
   - Karsten tom Dieck, KPMG, Germany
   - Rick Wood, Grant Thornton, Canada
   - Denise Esdon, Deputy Chair, IAASB and Chair of ISA 402 task force
   - Correspondence member: Claire Grayston, AUASB, Australia

Background

3. Past consideration:
   - March 2006: Project Proposal
   - September 2006: Issues Paper
   - April 2007: Further Issues Paper and preliminary draft Introduction and Requirements sections
   - September 2007: “First read” draft ISAE

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1 ISAE 3402, “Assurance Reports on Controls at a Third Party Service Organization.”
2 Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services.
4. Since September, the task force has held one physical meeting and a conference call.

**Approach to Discussion**

5. The issues in the Issues Paper will be addressed as they arise in discussion of the draft ISAE.

6. The clean version of the draft ISAE will be used for discussion.

7. Members and Technical Advisors are asked to forward any editorial comments they may have to the task force chair and staff prior to the meeting to allow discussion in Washington to focus on substantive issues.

**Material Presented**

Agenda Item 13-A  Second Read Draft of the proposed ISAE 3402 – Clean copy  
(Pages 3621 – 3656)

Agenda Item 13-B  Second Read Draft of the proposed ISAE 3402 – Marked up copy  
(Pages 3657 – 3698)

Agenda Item 13-C  Issues Paper  
(Pages 3699 – 3702)

**Action Requested**

The IAASB is asked to review the attached draft of ISAE 3402, including proposed conforming amendments to the Preface, and to approve it (amended as necessary) for issue as an exposure draft.