

Technical Director
International Auditing and Assurance Standards Board
545 Fifth Avenue, 14th Floor
New York, New York 10017 USA

1 September 2011

Dear Sir/Madam:

Exposure Draft - ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

On behalf of RSM International Limited, a global network of independent accounting and consulting firms, we are pleased to have the opportunity to respond to your request for specific comments on the aforementioned Exposure Draft issued by the IAASB in April 2011.

Our responses to the specific matters on which the IAASB is seeking feedback are set out below.

1. Do respondents believe that the nature and extent of requirements in proposed ISAE 3000 would enable consistent high quality assurance engagements while being sufficiently flexible given the broad range of engagements to which proposed ISAE 3000 will apply?

We believe, subject to our responses on the questions below, the proposed ISAE 3000 should enable consistent high quality assurance engagements to be performed in a wide range of circumstances.

2. With respect to levels of assurance:

(a) Does proposed ISAE 3000 properly define, and explain the difference between, reasonable assurance engagements and limited assurance engagements?

We believe the difference between reasonable assurance engagements and limited assurance engagements is properly defined and explained.

(b) Are the requirements and other material in proposed ISAE 3000 appropriate to both reasonable assurance engagements and limited assurance engagements?

We believe the requirements and other material in proposed ISAE 3000 are appropriate to both reasonable assurance engagements and limited assurance engagements.

(c) Should the proposed ISAE 3000 require, for limited assurance, the practitioner to obtain an understanding of internal control over the preparation of the subject matter information when relevant to the underlying subject matter and other engagement circumstances?

We believe, in the majority of cases, it would be appropriate for the practitioner to obtain an understanding of internal control over the preparation of the subject matter information. This will assist the practitioner to identify the risks associated with the subject matter and to design appropriate tests to enable the limited assurance opinion to be formed.

If there are circumstances where the practitioner does not consider it is effective and efficient to obtain an understanding of internal control over the preparation of the subject matter information, the reasons for this should be documented.

3. With respect to attestation and direct engagements:

- (a) Do respondents agree with the proposed changes in terminology from “assurance-based engagement” to “attestation engagements” as well as those from “direct-reporting engagements” to “direct engagements”?**

We believe the proposed changes in terminology are appropriate.

- (b) Does proposed ISAE 3000 properly define, and explain the difference between, direct engagements and attestation engagements?**

We believe the difference between direct engagements and attestation engagements is properly defined and explained in the proposed ISAE 3000.

- (c) Are the objectives, requirements and other material in the proposed ISAE 3000 appropriate to both direct engagements and attestation engagements? In particular:**

(i) In a direct engagement when the practitioner’s conclusion is the subject matter information, do respondents believe that the practitioner’s objective in paragraph 6(a) (that is, to obtain either reasonable assurance or limited assurance about whether the subject matter information is free of material misstatement) is appropriate in light of the definition of a misstatement (see paragraph 8(n))?

We believe the practitioner’s objective in obtaining either reasonable assurance or limited assurance about whether the subject matter information is free of misstatement is appropriate in light of the definition of a misstatement. The possible sources of misstatement do not impact on the ability of the practitioner to express an opinion even though in a direct engagement the practitioner will have measured or evaluated the underlying subject matter against the criteria.

(ii) In some direct engagements the practitioner may select or develop the applicable criteria. Do respondents believe the requirements and guidance in proposed ISAE 3000 appropriately address such circumstances?

We believe the requirements and guidance in proposed ISAE 3000 appropriately address circumstances where the practitioner may select or develop appropriate criteria.

4. With respect to describing the practitioner’s procedures in the assurance report:

- (a) Is the requirement to include a summary of the work performed as the basis for the practitioner’s conclusion appropriate?**

We believe it is important that a summary of the type of work performed as a basis for the practitioner’s conclusion is included in the report.

In the case of limited assurance reports, we do not agree that a tailored and more detailed summary of procedures is required in the practitioner’s report. A summary of the type of procedures that may have been used would be sufficient. In particular, it is not the procedures that have been adopted that create a level of assurance but the results and scope of the procedures and how they relate to the risks of misstatement. In reporting the procedures performed there is a risk that different users would assign different levels of assurance to the same report based on their individual understanding of the procedures followed. The practitioner should determine whether they have performed sufficient work and obtained appropriate evidence to support the issue of the limited assurance opinion.

- (b) Is the requirement, in the case of limited assurance engagements, to state that the practitioner's procedures are more limited than for a reasonable assurance engagement and consequently they do not enable the practitioner to obtain the assurance necessary to become aware of all significant matters that might be identified in a reasonable assurance engagement, appropriate?**

We believe this requirement is appropriate and feel it is the only practical way for the practitioner to communicate the more limited assurance that is being provided. The concept of limited assurance engagements is still relatively new in a number of jurisdictions and there will be a need for practitioners to explain the implications to users before being engaged to perform the work.

- (c) Should further requirements or guidance be included regarding the level of detail needed for the summary of the practitioner's procedures in a limited assurance engagement?**

As noted above, we do not agree that a detailed summary of the practitioner's procedures is required.

- 5. Do respondents believe that the form of the practitioner's conclusion in a limited assurance engagement (that is, "based on the procedures performed, nothing has come to the practitioner's attention to cause the practitioner to believe the subject matter information is materially misstated") communicates adequately the assurance obtained by the practitioner?**

The form of the practitioner's conclusion does communicate adequately the assurance obtained by the practitioner.

- 6. With respect to those applying the standard:**

- (a) Do respondents agree with the approach taken in proposed ISAE 3000 regarding application of the standard by competent practitioners other than professional accountants in public practice?**

We agree with approach taken in proposed ISAE 3000 regarding application of the standard by competent practitioners other than professional accountants in public practice.

- (b) Do respondents agree with proposed definition of "practitioner"?**

We agree with the proposed definition of practitioner.

We would be pleased to discuss our comments further with members of the IAASB or its staff. If you wish to do so, please contact Robert Dohrer (tel: +1 919 645 6819; email: robert.dohrer@mcgladrey.com).

Yours sincerely



Robert Dohrer
Chair of the Transnational Assurance Services
Executive Committee of RSM International



Jean M Stephens
Chief Executive Officer
RSM International Limited