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Technical Manager  
International Auditing and Assurance Standards Board  
545 Fifth Avenue, 14<sup>th</sup> Floor  
New York, New York 10017 USA

**Re: ISAE 3000 (Revised), Assurance Engagement Other Than Audits or Reviews of Historical Financial Information**

CMA Canada welcomes the opportunity to comment on the above-referenced document. We have reviewed the "ISAE 3000 (Revised), Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" and provide our comments in relation to the guidelines provided. Our responses are enclosed in Attachment A.

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We thank you for the opportunity to provide our comments and trust they will be given consideration in finalizing the standard.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Benn", with a stylized flourish at the end.

Richard Benn, FCMA, C.Dir.  
Executive Vice President

Attachment

**The Society of Management Accountants of Canada**  
**La Société des comptables en management du Canada**

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**CMA Canada Comments on Exposure Draft:**

**ISAE 3000 (Revised), Assurance Engagement Other Than Audits or Reviews of Historical Financial Information**

**Responses to Questions**

**Q1:** Do respondents believe that the nature and extent of requirement 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?

R: Generally, yes. Flexibility although beneficial given the broad range of engagements to which ISAE 3000 will apply, may also be somewhat problematic in that it may lead to inconsistency between engagements, given its broad range of application.

There may be a threat to independence given the potential for “self review”, in the “Direct Engagements”, where the practitioner creates the subject matter information.

**Q2:** With respect to level of assurance:

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

R: Generally, yes. However, the limited assurance engagement could be interpreted to be very broad based, as the procedures necessary to satisfy the intended users may be difficult for the practitioner to assess.

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

R: Yes, given the limitations outline above.

(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?

R: Yes. This would be consistent with treatment of a review engagement (limited assurance) and would facilitate consistency for limited assurance engagements.

**Q3:** With respect to attestation and direct engagements:

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

R: No. They are less definitive and therefore could be open to interpretation as they are somewhat vague.

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

R. Yes. Further clarity could be attained through additional examples.

(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))?

R. There is potential for confusion with direct engagements given the threat to independence.

(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?

R. No. See previous response.

**Q4.** 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?

R: Yes. It provides meaning to the intended user as to how the conclusion was derived and the scope under which the engagement was performed. Given the flexibility and variance that may occur, it may provide greater clarity.

(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?

R: Yes. It provides distinct clarity as to the limitation to procedures.

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

R: Yes. Examples would provide greater clarity; summary should be general in nature; broad based given the nature of the engagement.

**Q5:** 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.

**R:** Generally, yes. Although consistency of application may be difficult, given the variance in the practitioner's perception as to the assurance required by the intended users.

**Q6:** 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 accounts in public practice?

**R:** Greater definition may be required to ensure that competent practitioners have depth of understanding consistent with professional accountants in public practice to facilitate a similar outcome in applying the standard, such as training, knowledge, experience and professional standards.

(b) Do respondents agree with proposed definition of "practitioners"?

**R:** Greater clarity is required as to standards that the practitioner operates under – see above.