

April 15, 2013.
Ref.: SEC/101/13 - DN

International Auditing and Assurance Standards Board (**IAASB**)
529 Fifth Avenue, 6th Floor
New York, New York, 10017
USA

Dear Sirs

We apologize for not complying with the March 14, 2013 deadline for *presenting our comments* with respect to Exposure Draft (**ED**) regarding Revised ISA 720 (The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statements and the Auditor's Report Thereon).

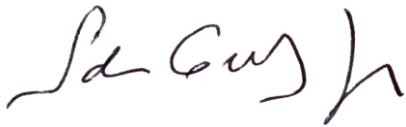
We agree and support the decision to make improvements on the ISA 720 approved in connection with the Clarity Project but the changes included in the exposure draft **overcame** our expectations mainly with respect to the substantial increase in the responsibility of the independent auditors to identify inconsistencies in the other information included in documents containing or accompanying audited financial statements due to the following main aspects:

- a) The comprehensiveness (or breadth) of the definition of the term **inconsistency** which states (paragraph 9 of the ED) that: *an inconsistency in the other information exists when the other information contains information that is **incorrect, unreasonable, inappropriate** or is presented in a way that **omits or obscures** information that is necessary to properly understand the matter being addressed in the other information;*
- b) The different understanding by **the users** of the financial statements and the auditors regarding the expression "***in light of the auditor's understanding of the entity and its environment acquired during the audit***". We understand that such expression is excessively subjective;
- c) The phrase presented in italic (paragraph 4 of the ED 720) is not clear and understandable: ***Although the auditor is not required to seek to enhance the auditor's understanding of the entity and its environment beyond that required for purposes of the audit, such other information is nevertheless within the scope of this ISA;***
- d) The question 11B to the respondents asks whether it is clear that the conclusion presented in the auditor's reports properly convey that ***there is no assurance being expressed with respect to the other information***, while the question 12 asks ***whether the level of assurance being provided with respect to other information is appropriate***. We believe that the auditors understand that there is no assurance in their audit reports included in the other matters paragraph while the intended users of such information will understand that the auditor's report do provide an assurance due to the expression added to the conclusion ("***in light of the auditor's understanding of the entity and its environment acquired during the audit***"); and

e) Finally, the paragraphs A42 and A43 describe some audit procedures regarding the work to be performed with respect to other information. We understand that such other audit procedures in addition to the reading of the other information should only be applied when the auditors have identified, or have indication of relevant inconsistencies. The normal procedures should be limited to read and make inquiries regarding other information.

We appreciate the consideration of our concerns regarding the ED ISA 720.

Sincerely,



Idésio da Silva Coelho Júnior
National Technical Director - Ibracon