



**ISAE 3000 and Direct Engagements**

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**Direct Engagements – Similarities and Differences with Attestation Engagements**

Key Concepts

- Three party relationship for both direct and attestation:
  - Similarity: At least Responsible Party, Practitioner, Intended Users
  - Difference: Practitioner is the first measurer/evaluator rather than the Responsible Party
- Underlying Subject Matter
- Suitable Criteria
- Subject Matter Information / Conclusion
- Assurance obtained by the practitioner

*Distinguished from valuation engagements, compilations etc by assurance component*

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### Example of Key Concepts applied to a Financial Statement Audit under ISAs (Attestation)

- Measurer/Evaluator – Management/TCWG
- Underlying Subject Matter [*USM*]– Financial position and performance and cash flows of the entity
- Suitable Criteria – IFRS
- Subject Matter Information [*SMI*] – Financial statements
- Assurance conclusion – Whether the financial statements [*SMI*] present fairly, in all material respects, the financial position, performance and cash flows of [the entity] [*USM*] in accordance with IFRS [*Suitable Criteria*]

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### Direct engagement – Value for money in an Emergency Department

- Measurer/Evaluator – the Practitioner
- Underlying Subject Matter – Activity of an emergency department in a hospital
- Suitable criteria – Selected or developed based on regulations and best practice guides regarding the use of public funds
- Subject Matter Information – Measurement/evaluation of the hospital's emergency department against the suitable criteria
- Assurance conclusion – Whether the hospital's emergency department provides value for money or not

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**Attestation engagement – Value for money in an  
Emergency Department**

- Measurer/Evaluator – Hospital management
- Underlying Subject Matter – Activity of an emergency department of a hospital
- Suitable criteria – Selected or developed based on regulations and best practice guides regarding the use of public funds
- Subject Matter Information – Measurement/evaluation by management of the hospital's emergency department against the suitable criteria
- Assurance conclusion – whether management's assessment of value for money is appropriate