

Assurance Engagements— Conforming Amendments

1. The following proposed conforming amendments will be included as part of the package with the exposure draft of proposed revised ISAE 3000 and Framework.
2. Where a potential change involves only the change of a paragraph number, that is not noted in the proposed conforming amendments below.

ISAE 3402 Assurance Reports on Controls at a Service Organization

- A. Replacing “~~(an) assertion(s);~~” with “(a) statement(s)” wherever it appears except in paragraph A1 (once) and paragraph A23 (four times).
- B. Deleting the struck through text and inserting the underlined text in the following paragraphs:
 2. The “International Framework for Assurance Engagements” (the Assurance Framework) states that an assurance engagement may be a “reasonable assurance” engagement or a “limited assurance” engagement; that an assurance engagement may be either an “~~assertion-based attestation~~” engagement or a “~~direct-reporting~~” engagement; and, that the assurance conclusion for an ~~assertion-based attestation~~ engagement can be worded either in terms of a statement made by the measurer or evaluator the responsible party’s assertion or ~~directly~~ in terms of the underlying subject matter and the criteria. This ISAE only deals with ~~assertion-based attestation~~ engagements that convey reasonable assurance, with the assurance conclusion worded ~~directly~~ in terms of the subject matter and the criteria.
 5. The performance of assurance engagements other than audits or reviews of historical financial information requires the service auditor to comply with ISAE 3000. ISAE 3000 includes requirements in relation to such topics as ~~engagement acceptance~~ continuance, planning and performing the engagement, obtaining evidence, and documentation that apply to all such assurance engagements, including engagements in accordance with this ISAE. This ISAE expands on how ISAE 3000 is to be applied in a reasonable assurance engagement to report on controls at a service organization. ~~The Assurance Framework, which defines and describes the elements and objectives of an assurance engagement, provides the context for understanding this ISAE and ISAE 3000.~~
 6. Compliance with ISAE 3000 requires, among other things, compliance with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the IESBA Code) related to assurance engagements, or other professional requirements, or requirements imposed by laws or regulations, that are at least as demanding that the service auditor comply with the International Federation of Accountants’ Code of Ethics for Professional Accountants (IFAC Code), and implement quality control procedures that are applicable to the individual engagement.
 7. This ISAE is effective for assurance engagements where the service auditor’s assurance reports is dated on or after [date]. covering periods ending on or after June 15, 2011.
 14. As required by ISAE 3000, the service auditor shall not agree to a change in the terms of the engagement where there is no reasonable justification for doing so. If such a change is

~~made, the service auditor shall not disregard evidence that was obtained prior to the change. If the service organization requests a change in the scope of the engagement before the completion of the engagement, the service auditor shall be satisfied that there is a reasonable justification for the change.~~ (Ref: Para. A11-A12)

15. As required by ISAE 3000, the service auditor shall ~~determine whether the criteria to be used by~~ assess whether the service organization ~~has used suitable criteria~~ in preparing the description of its system, in evaluating whether controls are suitably designed, and, in the case of a type 2 report, in evaluating whether controls are operating effectively, are suitable.
19. ~~When planning and performing the engagement~~ In complying with paragraph 35 of ISAE 3000, the service auditor shall consider materiality with respect to the fair presentation of the description, the suitability of the design of controls and, in the case of a type 2 report, the operating effectiveness of controls. (Ref: Para. A16-A18)
20. In complying with paragraph 36 of ISAE 3000, ~~t~~The service auditor shall obtain an understanding of the service organization's system, including controls that are included in the scope of the engagement. (Ref: Para. A19-A20)

Heading above paragraph 43: **Considering Subsequent Events**

- A5. The service auditor is subject to relevant independence requirements, which ordinarily comprise Parts A and B of the IFAC Code together with national requirements that are more restrictive. In performing an engagement in accordance with this ISAE, the ~~IFAC~~ IESBA Code does not require the service auditor to be independent from each user entity.
 - A14. ISAE 3000 requires the service auditor, among other things, to determine whether the criteria to be used ~~assess the~~ are suitability ~~city of criteria~~, and the appropriateness of the underlying subject matter is appropriate. The subject matter is the underlying condition of interest to intended users of an assurance report. The following table identifies the subject matter and minimum criteria for each of the opinions in type 2 and type 1 reports.
 - A44. The ~~IFAC-IESBA~~ Code requires that ...
 - A46. ISQC 1 (or ~~national~~ other professional requirements, or requirements in laws or regulations, regarding the firm's responsibility for its system of quality control, that are at least as demanding) requires firms to establish policies and procedures for the timely completion of the assembly of engagement files...
- C. Inserting the following text above the heading *Service Auditor's Responsibilities* in Examples 1 and 2 in Appendix 2:

Independence, Quality Control and Expertise

We have complied with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

In accordance with International Standard on Quality Control 1,¹ [name of firm] maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

This engagement was conducted by a multidisciplinary team including assurance practitioners, and outsourcing and IT experts.

Proposed ISAE 3410 Assurance Engagements on Greenhouse Gas Statements

A. Deleting the struck through text and inserting the underlined text in the following paragraphs:

5. The *International Framework for Assurance Engagements* (the Assurance Framework) notes that an assurance engagement may be either an ~~assertion-based attestation~~ engagement or a direct ~~reporting~~ engagement. This ISAE deals only with ~~assertion-based attestation~~ engagements.

9. The performance of assurance engagements other than audits or reviews of historical financial information requires the practitioner to comply with ISAE 3000. ISAE 3000 includes requirements in relation to such topics as ~~engagement~~ acceptance continuance, planning and performing the engagement, obtaining evidence, and documentation that apply to all assurance engagements, including engagements in accordance with this ISAE. This ISAE expands on how ISAE 3000 is to be applied in an assurance engagement to report on an entity's GHG statement. ~~The Assurance Framework, which defines and describes the elements and objectives of an assurance engagement, provides context for understanding this ISAE and ISAE 3000.~~

10. Compliance with ISAE 3000 requires, among other things, compliance with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the IESBA Code) related to assurance engagements, or other professional requirements, or requirements imposed by laws or regulations, that are at least as demanding that the practitioner comply with the independence and other requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and implement quality control procedures that are applicable to the individual engagement. (Ref: Para. A5–A6)

15. The engagement partner shall, in complying with paragraphs 25(b), 25(c), and 26(a) of ISAE 3000: ...

16. In order to establish whether the preconditions for the engagement are present in accordance with paragraph 18 of ISAE 3000:

...

¹ ISQC 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements

- (b) The practitioner shall ~~determine whether the criteria to be used are~~ assess the suitability of the applicable criteria as required by ISAE 3000. ...

Heading above paragraph 17: Agree~~ing~~ment on Terms of the Engagement Terms

17. The ~~agreed~~ terms of the engagement required to be agreed by ISAE 3000 shall include: ...
19. When ~~establishing the overall~~planning the engagement ~~strategy~~, the practitioner shall determine materiality for the GHG statement.
- 22L. In obtaining the understanding required by paragraph 36 of ISAE 3000, t~~he~~ practitioner shall: ...
- 22R. In obtaining the understanding required by paragraph 36 of ISAE 3000, t~~he~~ practitioner shall ...
- 24 In obtaining the understanding required by paragraph 36 of ISAE 3000, t~~he~~ practitioner shall obtain an understanding of ...

Heading above paragraph 59: Considering ~~Subsequent~~ Events

69. The practitioner shall form a conclusion about ~~conclude as to~~ whether the practitioner has obtained reasonable or limited assurance, as appropriate, about the GHG statement. ...
- A20. ISAE 3000 requires the practitioner to determine whether ~~assess the appropriateness of~~ the subject matter is appropriate. In the case of a GHG statement, the entity's emissions (and removals and emissions deductions if applicable) are the subject matter of the engagement ...
- A83. This ISAE distinguishes the practitioner's responsibilities in relation to compliance with two different categories of laws and regulations as follows:
...
(b) Other laws and regulations that do not have a direct effect on the determination of the quantities and disclosures in the GHG statement, but compliance with which may be fundamental to the operating aspects of the business, to an entity's ability to continue its business, or to avoid material penalties (for example, compliance with the terms of an operating license, or compliance with environmental regulations). Maintaining—Planning and performing an engagement with professional skepticism ~~throughout the engagement~~, as required by ISAE 3000 ...
- A120. ISAE 3000 requires the practitioner to prepare on a timely basis engagement documentation that provides a record of the basis for the assurance report ~~document matters that are significant in providing evidence that supports the assurance report and that the engagement was performed in accordance with ISAEs~~...