

15 November 2011

The Chairman  
Auditing and Assurance Standards Board  
PO Box 204  
Collins Street West  
Melbourne Victoria 8007

Via email: [edcomments@auasb.gov.au](mailto:edcomments@auasb.gov.au)

Dear Ms Kelsall

**ED 03/11 Proposed Standard on Related Services ASRS 4450 Comfort Letter Engagements**

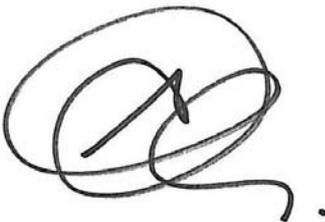
CPA Australia, the Institute of Chartered Accountants in Australia and the Institute of Public Accountants (the Joint Accounting Bodies) are pleased to respond to the Proposed Standard on Related Services ASRS 4450 *Comfort Letter Engagements*.

The Joint Accounting Bodies represent over 190,000 professional accountants. Our members work in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally.

The Joint Accounting Bodies are pleased the Board has undertaken this project as there is a need for standards and guidance in this area, tailored for the Australian regulatory environment. Generally we are supportive of the proposals and our responses to matters on which specific comment is requested is included in the attached Appendix

If you require further information on any of our views, please contact Amir Ghandar, CPA Australia by email [amir.ghandar@cpaaustralia.com](mailto:amir.ghandar@cpaaustralia.com), Andrew Stringer, the Institute of Chartered Accountants by email [andrew.stringer@charteredaccountants.com.au](mailto:andrew.stringer@charteredaccountants.com.au) or Tom Ravlic, the Institute of Public Accountants by email [tom.ravlic@publicaccountants.org.au](mailto:tom.ravlic@publicaccountants.org.au)

Yours sincerely



**Alex Malley**  
Chief Executive Officer  
CPA Australia Ltd



**Graham Meyer**  
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Institute of Chartered  
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**Andrew Conway**  
Chief Executive Officer  
Institute of Public Accountants

**Representatives of the Australian Accounting Profession**



[cpaaustralia.com.au](http://cpaaustralia.com.au)



The Institute of  
Chartered Accountants  
in Australia

[charteredaccountants.com.au](http://charteredaccountants.com.au)



IPA INSTITUTE OF PUBLIC  
ACCOUNTANTS

[publicaccountants.com.au](http://publicaccountants.com.au)

## Appendix

**Q1. Have applicable laws and regulations been appropriately addressed in the proposed standard?**

Applicable laws and regulations appear to have been appropriately addressed.

**Q2. Are there any references to relevant laws or regulations that have been omitted?**

We are not aware of any reference to relevant laws or regulations that may have been omitted.

**Q3. Are there any laws or regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard?**

None of which we are aware.

**Q4. What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the requirements of this proposed standard? If there are significant costs, do these outweigh the benefits to the users of audit-related services?**

We do not consider there to be additional significant costs arising from compliance with the proposed standard.

**Q5. Are there any other significant public interest matters that constituents wish to raise?**

The procedures as described in the proposed standard are defined as agreed-upon procedures (as per paragraph 10(q)); however the auditor is required to give an auditor's statement that nothing has come to the auditor's attention that caused the auditor to believe that the specified matters do not meet specified criteria. This statement is very similar to the statement made in a limited (negative) assurance engagement and so there may be some confusion as to the level of assurance being provided, or not being provided, in these engagements. In our view this matter should be clarified.

We note that the term 'financial forecast' is used quite often throughout the proposed standard, however it is not defined. We suggest that it be defined to provide guidance as to what this may include/exclude.