



Australian Government
Auditing and Assurance Standards Board

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Agenda Item 12(d).1
AUASB Meeting 12 September 2011

31 August 2011

Mr James Gunn
Technical Director
International Auditing and Assurance Standards Board
International Federation of Accountants
545 Fifth Avenue, 14th Floor
New York, New York 10017 USA

Dear James,

**AUASB Submission on Proposed ISAE 3000 (Revised),
*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information***

The Australian Auditing and Assurance Standards Board (AUASB) is pleased to have the opportunity to comment on the IAASB exposure draft on Proposed ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*.

Overall, the AUASB is supportive of a revision to ISAE 3000 to update the requirements of other assurance engagements and to clarify how some of the core underlying assurance concepts should be applied in practice. It reflects the evolving nature of assurance engagements and the potential application of the standard by practitioners who are not professional accountants in public practice.

There are a number of substantive matters which the AUASB encourages the IAASB to further address prior to finalising its standard, and these are:

- (a) The proposed ED ISAE 3000 should require, under a limited assurance engagement, that a risk assessment be performed in order to determine areas where material misstatements are likely to arise then the practitioner can respond accordingly. In applying a risk based approach, the procedures performed should be responsive to the assessed risks. More extensive assurance procedures should be performed in response to higher identified risks, but not necessarily to provide a higher level of assurance.

Proposed ED ISAE 3000 should be consistent with the proposals in ED ISAE 3410 *Assurance on Greenhouse Gas Statements*, which explicitly requires a risk assessment to be performed for a limited assurance engagement. This is currently not reflected in paragraph 42 of proposed ED ISAE 3000. In addition, the AUASB also raised this point in its response to ED ISRE 2400 (Revised) *Engagements to Review Historical Financial Statements* to ensure consistency across all limited assurance engagements.

- (b) Limited assurance engagements should be required to reach a consistent defined level of assurance on all engagements rather than providing a variable level of assurance depending on the work effort. In addition, reliance should not be placed on reporting the work effort as a means of communicating the assurance which users can take from a limited assurance

report. The level of assurance provided by any given amount of work will depend on the risks being addressed not the amount or nature of the work performed.

- (c) We are of the view that the objectives as set out in paragraphs 6(a) and (b) of the proposed ED ISAE 3000 along with the definitions of ‘subject matter information’ and ‘underlying subject matter’ as currently expressed are somewhat unclear and unnecessarily complex. It is also noted that it may be difficult to apply the objectives as stated to a direct engagement as discussed at Q3(c)(i). For further recommendations refer to Attachment 2.
- (d) In the area of direct and attestation engagements in Australia, there are divergent views in relation to how certain concepts have been dealt with in proposed ED ISAE 3000, more specifically, determining a ‘material misstatement’, clarifying what is the ‘subject matter information’ for direct engagements and determining and applying ‘proper evaluation or measurement’ for both attest and direct engagements. These differing views support the need for further work to address the differences between the two engagements particularly in the public sector and any outcomes are likely to have flow-on consequences for the International Framework. It should be noted that in Australia, we have extended the principles of the existing ISAE 3000 into specific Assurance Standards that deal with compliance engagements (ASAE 3100) and performance engagements (ASAE 3500), which both allow for direct and attestation engagements, with the latter primarily performed in the public sector.
- (e) We are of the view the International Framework (‘Framework’) as revised, does not comprehensively address the key principles of an assurance engagement. There is a fundamental need for clarity and consistency regarding the concepts of reasonable and limited assurance and its applicability across a broad range of engagements, including audits and reviews of historical financial information and other assurance engagements. The appropriate vehicle for the establishment and enunciation of these basic and fundamental concepts is the Framework for Assurance Engagements.

The Framework should overarch all the pronouncements of the IAASB and form the foundation from which all IAASB auditing and assurance standards emanate. The framework should define reasonable and limited assurance, attestation and direct engagements and include the objectives and other elements of an assurance engagement which are currently found in proposed ED ISAE 3000. These definitions may be repeated in other pronouncements, under the umbrella of the Framework, however, they should be clearly enunciated in the overarching framework. When key definitions and concepts are included in the Framework, there will be an opportunity to reduce the duplication currently existing between the proposed amended Framework, proposed ED ISAE 3000 and other standards issued by the IAASB.

The AUASB’s responses to the specific questions raised in the Explanatory Memorandum are attached as Attachment 1 to this letter. Additional comments are provided in Attachment 2, which is included for the IAASB’s consideration.

In formulating its response, the AUASB sought input from its constituents in two ways. The first was an open invitation to comment posted on the AUASB website with an accompanying notification sent to subscribers. The second method was by way of hosting a “roundtable” discussion with stakeholder attendees from a broad range of backgrounds including government bodies, assurance providers, emissions experts and professional accounting bodies.

Should you have any queries regarding this submission, please do not hesitate to contact either Marina Michaelides, Senior Project Manager (mmichaelides@auasb.gov.au) or myself (rmifsud@auasb.gov.au).

Yours sincerely,

Richard Mifsud
Executive Director

Attachments



Responses to Specific Questions listed in the Explanatory Memorandum

Question

1. Do respondents believe that the nature and extent of requirements 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?

AUASB Response:

1. Yes. There are a significant number of ISAE 3000 assurance engagements that practitioners perform and the provision of further guidance in the areas of planning, materiality, engagement risk, subject matter and criteria ensures greater clarity of practices internationally in order to improve the consistency and comparability of reporting. Subject to our comments at questions 2 - 6 and the substantive matters previously raised being addressed, ISAE 3000 would result in consistent and quality assured engagements which are sufficiently flexible given the broad range of engagements to which the standard applies.

Question

2. With respect to levels of assurance:
 - (a) Does proposed ISAE 3000 properly define, and explain the difference between, reasonable assurance engagements and limited assurance engagements?
 - (b) Are the requirements and other material in proposed ISAE 3000 appropriate to both reasonable assurance engagements and limited assurance engagements?
 - (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?

AUASB Response:

2(a) Proposed ISAE 3000 defines reasonable and limited assurance in paragraph 8(a)(i)a and b using consistent and general terms applied under the current International Standards on Auditing (ISAs) with the notable difference of a move away from using the term “positive or negative form of expression”. The definitions are suitably broad so they can be applied to a number of subject matters.

The AUASB is of the view that proposed ISAE 3000 does not adequately explain the distinctions between the two types of engagements. The only specific area of the standard that distinguishes between the two types of engagements is “Assurance Procedures” paragraphs 41 and 42. The adoption of a table format that clearly highlights the differences between procedures to be performed under each engagement and area of the engagement e.g. planning, identifying risks and assessing risks as used in proposed ED ISAE 3410 *Assurance Engagements on Greenhouse Gas Statements* could provide further clarity.



2(b) Generally, the requirements in proposed ISAE 3000 are appropriate to both reasonable and limited assurance engagements. However, as in paragraph 37 “Obtaining Evidence”, there is a specific requirement for obtaining an understanding of internal control for a reasonable assurance engagement with no mention of what is or isn’t required for a limited assurance engagement. Application and other explanatory material at A94 discusses the nature, timing and extent of procedures for both types of engagements and lists a number of procedures that could be undertaken, however it is unclear as to which procedures are more likely to be performed for each type of engagement. As noted at point 2(a) above, these differences in requirements and application for each type of engagement would be better shown in a table.

2(c) The proposed ED ISAE 3000 should require under a limited assurance engagement that a risk assessment is performed in order to determine areas where material misstatements are likely to arise then the practitioner can respond accordingly. In applying a risk based approach the procedures performed should be responsive to the assessed risks. More extensive procedures should be in response to higher identified risks, not necessarily to provide a higher level of assurance. If the risk assessment determined a need for an understanding of the internal controls or testing of the internal controls to respond to assessed risk, then this would be undertaken. An understanding of internal control over the preparation of the subject matter is not required under all limited assurance engagements; the outcomes of the risk assessment performed would determine the need for an internal control review or testing to respond to an assessed risk.

Proposed ISAE 3000 should be consistent with ED ISAE 3410 *Assurance on Greenhouse Gas Statements* which explicitly requires a risk assessment to be performed for a limited assurance engagement. This is currently not reflected in paragraph 42 of proposed ED ISAE 3000.

Question

3. 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?
 - (b) Does proposed ISAE 3000 properly define, and explain the difference between, direct engagements and attestation engagements?
 - (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))?
 - (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?



AUASB Response:

3(a) Yes. The proposed changes to terminology from assurance-based engagements to attestation engagements and direct-reporting engagements to direct engagements is appropriate.

3(b) The proposed standard adequately defines direct engagements and attestation engagements and includes additional information addressing the nature of direct engagements, and the differences from and similarities to attestation engagements. However, the provision of examples would assist users to better understand the nature of each.

We believe that the definitions of ‘subject matter information’ and ‘underlying subject matter’ as currently expressed in the exposure draft continue to be unclear as in the current version of ISAE 3000. It is noted that an understanding of these terms and how they are defined is critical to an understanding of a number of key aspects of the proposed standard. The similarity of these terms and the wording of the definition of ‘underlying subject matter’, in particular as it relates to its measurement or evaluation by applying criteria, warrants further consideration by the IAASB. We suggest that ‘subject matter information’ could perhaps be changed to ‘subject matter assessment’. As a minimum, we suggest that the standard include examples to illustrate what is represented by ‘underlying subject matter’.

3(c)(i) We are concerned that the wording in the proposed standard does not clearly support application to direct engagements with the current definition of misstatement. To clarify the application of this concept to direct engagements the IAASB may want to consider expanding the definition of misstatement to clearly illustrate its application to direct engagements. Where there is a material deviation/deficiency indicated in the subject matter information, and verified by the practitioner’s evidence, the conclusion should outline the details of the deviation/deficiency.

In view of the discussion above, it is the AUASB’s view that the objective outlined in paragraph 6(a) may not be appropriate for a direct engagement as it refers to a material misstatement and assurance over the subject matter information. The objective either needs to be so broad in nature that it does not refer specifically to subject matter information or, alternatively that separate objectives be provided for attestation and direct engagements. A suggested form of the objective is:

“In conducting an assurance engagement, the objectives of the practitioner are:

- (a) To obtain reasonable assurance or limited assurance, as appropriate, in order to enhance the degree of confidence of the intended users other than the responsible parties about:
 - (i) In the case of an attestation engagement, whether the subject matter information is free from material misstatement; and*
 - (ii) In the case of a direct engagement, whether the underlying subject matter, in all material respects, meets the criteria.”**



3(c)(ii) Yes. The proposed requirements and guidance addressing direct engagements where the practitioner may select or develop the applicable criteria appear appropriate to such circumstances.

Question

4. 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?
 - (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?
 - (c) Should further requirements or guidance be included regarding the level of detail needed for the summary of the practitioner's procedures in a limited assurance engagement?

AUASB Response:

4(a) No. Limited assurance conclusions need to be consistent so that users can better understand and compare limited assurance reports. Articulation of the risks identified and addressed in the engagement, would be more relevant to the conclusion reached than the procedures conducted. The AUASB is of the view that limited assurance should always need to provide a consistent level of assurance on every engagement and the level of assurance should not be communicated through the procedures conducted. Higher risk engagements should require more extensive procedures to be conducted in order to reach the same level of assurance as a lower risk engagement, therefore the work effort is not indicative of the assurance provided. The detail of procedures conducted should be limited as users may easily misinterpret more extensive procedures as providing a higher level of assurance.

4(b) Yes. The requirement to state that the procedures are more limited is appropriate and further assists readers in understanding the conclusions formed and level of assurance obtained.

4(c) Yes. More application material is required on what the summary of procedures should include so that there is consistency between reports. However as explained at Question 2, the procedures should not be used to impart the level of assurance provided.

Question

5. 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?



AUASB Response:

5. Partly. We do not believe the wording in the conclusion as presently drafted in the exposure draft adequately communicates the level of assurance obtained by the practitioner in a limited assurance engagement. However the requirement under paragraph 60(k) to include an informative summary of the work performed in a limited assurance engagement would be essential to understanding the assurance conveyed in the practitioner's conclusion, as long as it is clear that the procedures provide a limited level of assurance. In addition, stating that the practitioner's procedures are more limited than for a reasonable assurance engagement would also assist.

As the form of conclusion has been in use in Australia for many years, it is commonly understood and contributes to differentiating a review from an audit. Accordingly, it is considered preferable to other forms explored by the IAASB.

The need for consistency between the reporting in ISAE 3000, ISRE 2400 *Engagements to Review Historical Financial Statements* and ISAE 3410 is also paramount.

Question

6. 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 accountants in public practice?
 - (b) Do respondents agree with proposed definition of practitioner?

AUASB Response:

6(a) Yes, noting the following comments. The proposed ED ISAE 3000 appears to draw in those other accounting practitioners who would also be required to comply with Ethics and Quality Assurance requirements under Parts A and B of the *Code of Ethics for Professional Accountants* or its equivalent. However, if the assurance standard is used by non-accountant assurance practitioners, there appears to be no mechanism in the proposed standard to ascertain whether professional education requirements are met or whether the practitioner or their firm are subject to quality control review as required by ISQC1, *Quality Controls for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*.

Another issue is that of independence; a concept which may well differ significantly between professional accountants and non-accountants.

6(b) A very important issue with non-accountants using the proposed ED ISAE 3000 is the concept of professional judgement. It is fundamental to the application of this "principles-based" standard. Undoubtedly there will be differences in the exercise of professional judgement between an accountant and a non-accountant. The definition of practitioner should include a reference to the need to exercise professional judgement.

The definition seems unnecessarily repetitive of other guidance, definitions and explanations in the ISAE, please refer to Attachment 2 for suggested amendments.



Comments on Other Matters:

Public Sector – Applicability of proposed ISAE 3000 to assurance engagements in the public sector?

AUASB Response:

The AUASB considers that the requirements in the proposed ISAE 3000 are applicable to the public sector noting also the comments above at Question 3 on attest and direct engagements.

SMPs and SMEs - Applicability of proposed ISAE 3000 to assurance engagements in an SMP and SME context?

AUASB Response:

The AUASB considers that the requirements in the proposed ISAE 3000 are scalable for the SMP and SME environment.

Developing Nations - Foreseeable difficulties in applying in a developing nation environment?

AUASB Response:

Not applicable.

Translations –Potential translation issues respondents may note in reviewing the proposed ISAE.

AUASB Response:

Not applicable.

Effective Date – 12-15 months after approval of the final standard but with earlier application permitted. The IAASB welcomes comment on whether this would provide a sufficient period to support effective implementation of the ISAE.

AUASB Response:

As there is currently an extant ISAE 3000 in place the AUASB believes 12-15 months is more than a sufficient period for effective implementation of the ISAE. The IAASB may also wish to consider allowing early adoption of the standard for this reason.



Additional Comments for the IAASB’s Consideration

1. International Framework for Assurance Engagements

There is a fundamental need for clarity and consistency regarding reasonable and limited assurance and its applicability across a broad range of engagements, including audits and reviews of historical financial information and other assurance engagements. The appropriate vehicle for the establishment and enunciation of these basic and fundamental concepts is the International Framework for Assurance Engagements (‘Framework’).

The Framework should overarch all the pronouncements of the IAASB and form the foundation from which all pronouncements emanate. The Framework, should specifically define reasonable and limited assurance and attestation and direct engagements. These definitions should not be contained solely in ISAE 3000. The definitions may be repeated in other pronouncements, sitting under the umbrella of the Framework, however, they should be clearly enunciated in that overarching Framework. When key definitions and concepts are included in the Framework, there will be an opportunity to reduce the duplication currently existing between the proposed amended framework, proposed ISAE 3000 and other standards issued by the IAASB.

The standards on attestation and direct engagements other than audits or reviews of historical financial information would become umbrella standards for other subject specific standards on assurance engagements. In practice, most of the other subject specific standards would reference back to the standard on attestation engagements, similar to ISAE 3402 and proposed ISAE 3410. This umbrella standard approach would be akin to the approach taken by the IAASB with ISA 700, as the umbrella standard for forming an opinion and reporting on financial statements.

A table or diagram could be added to the suggested, amended Framework illustrating the various types of assurance engagements performed by practitioners. We include an outline for such a table below:

Types of Assurance Engagements

<p>Reasonable Assurance Attestation</p> <p><i>Examples:</i> Audits of Financial Statements Assurance Engagements on GHG Statements (proposed ISAE 3410) Assurance Engagements on Controls at a Service Organisation (ISAE 3402)</p>	<p>Limited Assurance Attestation</p> <p><i>Examples:</i> Reviews of Financial Statements Assurance Engagements on GHG Statements (proposed ISAE 3410)</p>
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<p>Reasonable Assurance Direct</p> <p><i>Examples:</i> Performance engagements in the public sector Compliance engagements in the public sector Engagements relating to the effectiveness of controls in public sector agencies Probity audit in the public sector</p>	<p>Limited Assurance Direct</p> <p><i>Examples:</i> Compliance and performance reviews in the public sector</p>
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1. Issues relating to specific paragraphs:

Paragraph Reference	Matter to be addressed
6(a)	<p>Subject matter information is defined through the use of the bracketed wording "... (that is, the reported outcome of the measurement or evaluation of the underlying subject matter)"....</p> <p>It is unnecessarily repetitive to define 'subject matter information' in the objective when it is clearly defined in paragraph 8(w) and also described in the application material.</p> <p>We recommend the following alternative objective: "6. In conducting... (a) To obtain either reasonable assurance or limited assurance, as appropriate about whether the subject matter information is free from material misstatement;"</p>
6(b)	<p>Objectives of the practitioner should explicitly state that the practitioner is measuring or evaluating the underlying subject matter "information". This would improve the clarity of the objective to the practitioner and align with the definition in paragraph 8(w).</p> <p>We recommend the following alternative objective: "6. In conducting... (b) to express a conclusion regarding the subject matter information through a written report that..."</p>
8(m)	<p>We recommend that this definition be deleted as it is unnecessary to define the noun of "measure" and "evaluate" in an assurance standard.</p>
8(q)	<p>We recommend the deletion of the sentences, set out below, because they are repeated, explained or defined elsewhere in the ISAE on several occasions and are therefore unnecessarily repetitive.</p>



	<p>Practitioner—The individual(s) conducting the engagement (usually the engagement partner or other members of the engagement team, or, as applicable, the firm.) by applying assurance skills and techniques to obtain reasonable assurance or limited assurance, as appropriate, about whether the subject matter information is free from material misstatement. In a direct engagement, the practitioner both measures or evaluates the underlying subject matter against the criteria and applies assurance skills and techniques to obtain reasonable assurance or limited assurance, as appropriate, about whether the outcome of that measurement or evaluation is free from material misstatement. Where this ISAE expressly intends that a requirement or responsibility be fulfilled by the engagement partner, the term engagement partner rather than practitioner is used.</p>
26	<p>The reference to paragraph 61 is incorrect and should be paragraph 62.</p>
28(a)(ii)	<p>Paragraph 28 requires the engagement partner to be satisfied that the engagement team have the competence and capabilities to perform the engagement in accordance with the relevant standards and enable an assurance report to be issued. We are unsure why the additional requirement to issue an assurance report is necessary when it is already achieved through carrying out the first requirement in 28(a)(i). Paragraph 28(a)(ii) is therefore unnecessarily repetitive.</p> <p>We therefore recommend that paragraph 28(a)(ii) is either deleted or edited as follows:</p> <p>(ii) Enable a conclusion that is appropriate in the circumstances.</p>
56	<p>Paragraph 56 uses similar wording to paragraph 6(a) and defines subject matter information instead of using the terminology ‘subject matter information’.</p> <p>We recommend the wording be changed to ‘subject matter information’ which is defined at paragraph 8(w) to remove any duplication.</p>
59	<p>The terminology “emphasis of matter” is used in this requirement but is not defined in paragraph 8 nor is it consistent with the terminology of “emphasis of matter paragraph” used in ISA 706 <i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor’s Report</i>. Some assurance practitioners may not be familiar with all the auditing standards and in particular ISA 706, so we recommend that consistent terminology be used and a definition included.</p> <p>In addition, the IAASB may like to consider including in the Preparing the Assurance Report section of the standard a dedicated paragraph that deals with the use of an Emphasis of Matter paragraph and an Other</p>



	Matter paragraph in the assurance report, especially as Emphasis of Matter is discussed in both paragraphs 59 and 67(b).
60(k)	We would appreciate more guidance on what constitutes ‘informative summary’ in a limited assurance engagement. Paragraph A152 simply states that the summary of work would be more detailed and might include procedures that the practitioner did not carry out. We recommend that the application material provide some examples of what may be included.
60(l)(i)	We found it difficult to understand this requirement and the guidance in A158. We recommend that this requirement is clarified.
64 - 67	<p>This section of the standard is difficult to understand and paragraphs that should be linked are not for example; paragraph 64(a) and 66 and paragraph 64(b)(i) and 67 should reside together.</p> <p>Currently paragraph 65 uses the term ‘or possible effects’ in the first and second sentences. This wording is not appropriate when discussing a qualified conclusion as the practitioner should have obtained sufficient appropriate evidence to support whether a matter is or is not material and pervasive in order to form their conclusion. This terminology is not consistent with ISA 705 <i>Modifications to the Opinion in the Independent Auditor’s Report</i> and as such should be deleted.</p> <p>The IAASB may want to consider restructuring paragraphs 64-67 to reflect the key headings used in ISA 705 paragraphs 7 – 10 to improve the clarity of the standard in relation to modifications to the conclusion.</p>
68	We recommend that the requirement include the term ‘significant’ so that the practitioner is required only to communicate all <i>significant</i> matters to the responsible party rather than ‘any matter’. This would also bring this requirement in line with ISA 260 <i>Communication with Those Charged with Governance</i> .
A13	The second sentence at A13 implies that control risk is less important when testing effectiveness of controls than preparing information about an entity’s performance. We would have thought that the opposite was the case. We recommend that this is clarified.
A21 and A22	<p>We thought that these paragraphs could be reworded to provide clearer guidance. We propose replacing A21 and A22 with the following:</p> <p>A21 This ISAE includes requirements that apply to all assurance engagements (other than audits or reviews of historical financial information), including assurance engagements in which a subject matter-specific ISAE is relevant.</p>



	<p>A22 The ISAs and ISREs have been written specifically for audits and reviews of historical financial information respectively. They may however provide guidance in relation to the assurance process generally, for practitioners undertaking an assurance engagement in accordance with this ISAE.</p>
A138	<p>We found the use of the term “symbol’ in this paragraph confusing and recommend it be further clarified or replaced with a different term.</p>
A175	<p>This application material appears to be a conditional requirement; i.e. if a circumstance exists (necessary to amend existing documentation), then an action should be taken (the documentation includes...). We recommend that the application material be reworded as an example of what might be included in the documentation when the circumstance exists, or include it as a conditional requirement to paragraphs 69 and 70.</p>
Appendix	<p>We find the diagram in the appendix not completely reflective of the roles and responsibilities of the practitioner and the nature of assurance engagements for a number of reasons as outlined below:</p> <ul style="list-style-type: none">○ the responsible party is responsible for the subject matter and the subject matter information but the diagram implies the responsible party is only responsible for the subject matter.○ the title "assure" is not defined, and is not connected to the intended users or the assurance report.○ the practitioner is linked to the subject matter information, but in a direct engagement would also be linked to the criteria, measurer and subject matter. <p>In addition, the written application material supporting the diagram appears to be disproportionately long.</p> <p>We therefore recommend that the diagram is redrawn to more appropriately reflect the roles and responsibilities or deleted.</p>