



Grant Thornton

The Chairman
Auditing and Assurance Standards Board
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By Email: edcomments@auasb.gov.au

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Dear Merran

**IMPLEMENTATION EXPERIENCE WITH GS 007 AUDIT IMPLICATIONS
OF THE USE OF SERVICE ORGANISATIONS FOR INVESTMENT
MANAGEMENT SERVICES**

Grant Thornton Australia Limited (Grant Thornton) is pleased to provide the Auditing and Assurance Standards Board with its comments on Implementation Experience with GS 007 Audit Implications of the Use of Service Organisations for Investment Management Services

Grant Thornton appreciates the Board asking for comments from key constituents on the implementation of GS 007 Audit Implications of the Use of Service Organisations for Investment Management Services.

Grant Thornton's response reflects our position as auditors and business advisers both to listed companies and privately held companies and businesses.

Question 1

The extent to which in their experience investment management service organisations are obtaining service auditor's reports under GS 007 and the extent to which user entities or user auditors are requesting those reports.

It is our experience that investment management service organisations are showing more interest in obtaining GS 007 type service auditors reports however there is still some resistance to the increased costs of those reports.

Question 2

Are service auditors' reports with respect to investment management service organisations providing the audit evidence user auditors require for the audit of user entities' financial reports?

Yes we are being provided with audit evidence for the audit of user entities' financial reports given that it is in long form.

Question 3

Are the control objectives comprehensive, relevant and clear for each service area? If not, please provide details of any suggested amendments or additional objectives.

At this time we do not have any suggested amendments or additional objectives.

Question 4

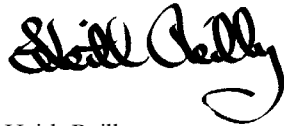
Do the six services addressed by GS 007 cover the investment management services which may be part of the user entity's information system, including business processes, relevant to financial reporting?

We suggest that more guidance around IT issues would be useful.

If you require any further information or comment, please contact Grant Layland at grant.layland@au.gt.com, who is the principal auditor for Investment Management Services, or myself.

Yours faithfully

GRANT THORNTON AUSTRALIA LIMITED



Keith Reilly
National Head of Professional Standard