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Dear Merran

**International Accounting Standards Board's Exposure Draft – ISRE 2400  
(Revised) Engagements to Review Historical Financial Statements**

Grant Thornton Australia Limited (Grant Thornton) is pleased to provide the Auditing and Assurance Standards Board (AUASB) with its comments on the International Accounting Standards Board's Exposure Draft – ISRE 2400 (Revised) Engagements to Review Historical Financial Statements (the ED).

Grant Thornton's response reflects our position as auditors and business advisers both to listed companies and privately held companies and businesses, and this submission has benefited with some initial input from our clients, Grant Thornton International (GTI), and discussions with key constituents including the AUASB's 29 March 2011 Roundtable. A draft of this submission had been earlier discussed with AUASB staff prior to finalising this submission after further consultations with GTI.

The views expressed here are preliminary in nature, and a more detailed Grant Thornton global submission will be finalised by the IAASB's due date of 20 May 2011.

**General comments**

We do generally support the proposals contained in the ED and our comments below generally reflect the view that additional guidance on how a Review Engagement is conducted will be of benefit not just to auditors who already provided audit opinions of reasonable assurance, but in particular to those practitioners who do not conduct reasonable assurance audits, but may wish to conduct limited assurance review type engagements. Whilst it may seem perverse, we believe that 'more' skill and experience

and hence professional judgment can be needed to do a 'review' compared to a reasonable assurance audit given that in a review there is not the background of understanding the risk environment that operates for the particular review entity.

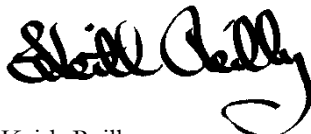
We note that there are inconsistencies between various IAASB pronouncements on limited assurance type review engagements such as ISRE 2400, ISRE 2410, ISRE 3400 and IASE 3410.

We believe that cross reference to other Auditing Standards would be useful where key concepts of materiality, audit assertions, and professional scepticism and judgment, sufficiency and appropriateness of evidence and other procedures are not clearly explained.

The use of the term 'sufficient and appropriate' is more akin to an audit whereas enquiry and analytical procedures should be all that is required to reach a limited assurance opinion. There is no requirement to conduct substantive procedures on material balances.

If you require any further information or comment, please contact me.

Yours sincerely  
GRANT THORNTON AUSTRALIA LIMITED

A handwritten signature in black ink, appearing to read "Keith Reilly". The signature is fluid and cursive, with a large loop at the end.

Keith Reilly  
National Head of Professional Standards