



October 11, 2018

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Via Email to [Sherry.Hazel@aicpa-cima.com](mailto:Sherry.Hazel@aicpa-cima.com)

**Re: Proposed Statement on Standards for Attestation Engagements, *Revisions to Statement on Standards for Attestation Engagements No. 18*, Attestation Standards: Clarification and Recodification**

Dear Board Members and Staff:

Grant Thornton LLP appreciates the opportunity to comment on the Proposed Statement on Standards for Attestation Engagements (SSAE), *Revisions to Statement on Standards for Attestation Engagements No. 18*, Attestation Standards: Clarification and Recodification. Overall, we support the project to provide flexibility within the attestation standards, particularly as emerging forms of external reporting continue to develop. We believe it is necessary for these standards to evolve and allow more flexibility in order for attestation engagements to remain relevant in the marketplace. Further, we support proposed revisions, such as the elimination of the requirement to request a written assertion and the expanded auditor reporting proposed for examinations and review engagements.

Although we support the project, we have certain concerns with the proposed revisions to SSAE No. 18- particularly with respect to the positioning of how requirements would apply in developing support for an examination or review, or performing an agreed-upon procedures engagement under extant standards (which the Board has noted it is intending to preserve). We Accordingly, we encourage the Board to take a measured approach to this project and continue to develop an appropriate balance that provides standards that allow the flexibility intended by the project, while still providing appropriate direction and guidance to practitioners in accepting, performing, and reporting on attest engagements. Therefore, we respectfully submit our comments for the Board's consideration. We have provided more targeted paragraph level comments in the appendix.

#### Assertions

As noted in our opening remarks, we support providing flexibility within the attestation standards and thereby fully support removing the requirement to request a written assertion from the responsible party for all attestation engagements. Nevertheless, we do believe that written assertions should continue to have a place in the attestation standards. With that said,

we note that the changes proposed to the standards need further clarification with respect to the performance of an engagement when a practitioner obtains an assertion.

Therefore, we ask the Board to consider adding a precondition to proposed AT-C Sections 205, *Examination Engagements*, and 210, *Limited Assurance Engagements*, for the practitioner to determine that he or she will be able to obtain a written assertion from the appropriate party when (i) required by one of the subject-matter-specific standards of the attestation standards or (ii) the practitioner otherwise determines it is necessary to obtain a written assertion from the appropriate party in the conduct of the engagement. We recommend that the latter portion of the application guidance in proposed paragraph .A10 of each standard in the Exposure Draft be associated with the new precondition. We believe these changes will provide better structure and guidance to practitioners when implementing the new standard.

While we recognize that proposed AT-C Section 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting* includes revisions to clearly require the practitioner to obtain a written assertion from the responsible party, we are concerned that a disconnect is created because this guidance only applies to SOC 1<sup>®</sup> engagements. Currently, SOC 2<sup>®</sup> and SOC 3<sup>®</sup> engagements are also performed in accordance with AT-C Section 205, and we believe it would be inappropriate not to require written assertions for these SOC engagements. We encourage the Board to close this disconnect in the standards by requiring written assertions for SOC 2<sup>®</sup> and SOC 3<sup>®</sup> engagements.

#### Examination engagements

We have several concerns with the proposed revisions to AT-C Section 205 and believe the standard, as proposed, will be confusing to practitioners. We believe there are inconsistencies within the proposed standard, both in definitions and in requirements, which could cause confusion for practitioners: We believe that in looking to remove the presumption of an assertion, the notion of whether the responsible party has measured the subject matter- fully or in part- against the criteria is blurred. We have detailed more specific areas where we note this lack of clarity as follows:

- Several of the requirements in the proposed standard are too prescriptive to enable the flexibility desired in eliminating the written assertion requirement. As retained, those requirements would seem to be written from the perspective that the responsible party is also responsible for the subject matter in accordance with the criteria. We have detailed our specific concerns below. While certain portions of the examination standard may have been relevant considerations for the changes adopted in the clarity project, we believe they are no longer operational under the more flexible construct being proposed.
- The ASB did not sufficiently converge the proposed SSAE with certain aspects of ISAE 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, creating confusion with respect to the roles and responsibilities of the participants and inconsistent use of terms throughout the proposed standard. In order to move the project forward towards more workable requirements and application guidance, we

see two paths: the Board can either (i) clarify the affected sections of the proposed standard, or (ii) move to a more complete convergence with the international standard with respect to terminology and less prescriptive requirements.

#### Prescription

In considering the various sections of proposed AT-C Section 205, we identified areas where the level of prescription is not conducive to a standard that is intended to accommodate both when the practitioner measures the subject matter against the criteria and when a party other than the practitioner does the measuring. Because of this level of prescription, we believe practitioners will struggle implementing the requirements, particularly in engagements where the practitioner measures the subject matter against the criteria.

In this regard, we note the sections listed below are areas where the requirements are too prescriptive. Further, we note that many of these sections contain requirements that are difficult to implement when considered in the context of an engagement where the practitioner performs some or all of the measurement:

- Tests of controls
- Procedures other than tests of controls
- Analytical procedures performed in response to assessed risks
- Procedures regarding estimates
- Sampling

ISAE 3000, in our view, is more principles-based and provides an appropriate framework for allowing practitioners to use judgment in determining which procedures are appropriate to obtain sufficient evidence that supports an opinion or conclusion considering the wide variety or criteria that may be the subject of an attestation engagement. Therefore, we believe that the Board should consider removing these sections from the proposed standard, and we ask the Board to reconsider these concepts that were brought in during the clarity project. We submit that those paragraphs, though arguably relevant when comparing an examination to an audit engagement, would be difficult to implement in the flexible framework being proposed. Accordingly, we strongly encourage the Board to evaluate whether those standards are truly necessary. If the Board ultimately believes the requirements and guidance are necessary and useful, we urge the Board to revise the requirements and/or to move these sections to the application guidance to address the operational problems described above.

#### Convergence and terminology

As noted, we believe that finalizing the standard requires either further clarification or enhanced convergence. Although either path is viable, we strongly recommend the Board converge more fully with the concepts within ISAE 3000. In addition to our concerns with the level of prescription of the proposed standard, we are concerned that selective adoption of international concepts, and inconsistent application of those concepts, have led to a proposed standard that is generally unclear with regard to the expectations and responsibilities of the various parties to the engagement, including the practitioner.

We recognize that the Board did not adopt the terms of “subject matter information” and “underlying subject matter” as defined within ISAE 3000. While we acknowledge that the use of the phrase “subject matter as measured or evaluated against the criteria” used in paragraph .03a is the definition of subject matter information, that phrase is not consistently used throughout the rest of the standard where we believe the Board intended “subject matter information” but instead used “subject matter.” For example, proposed paragraph .13 states:

The practitioner should obtain an understanding of the subject matter and other engagement circumstances sufficient to do the following: enable the practitioner to identify and assess the risks of material misstatement in the subject matter. ...

Under existing AT-C Section 205, this requirement is understandable and operational. However, in an engagement where the practitioner performs the measuring, it is confusing and unclear. With the proposed change to the objectives in paragraph .03, the risk assessment is misaligned with the overarching objective in paragraph .03a. The objective states that the practitioner obtains reasonable assurance about whether the subject matter ***as measured or evaluated against the criteria*** is free from material misstatement (emphasis added), but the practitioner performs risk assessment procedures on the subject matter itself. We contrast the proposed requirement with the corresponding requirement in paragraph .46R of ISAE 3000:

The practitioner shall obtain an understanding of the underlying subject matter and other engagement circumstances to: enable the practitioner to identify and assess the risks of material misstatement in the subject matter information. ...

We believe distinguishing between subject matter information and underlying subject matter provides the practitioner with much needed clarity in executing the engagement, regardless of which party performs the measuring. Although the Board attempted a level of convergence by revising the objective with the bolded, italicized phrase noted above, such phrase was not consistently and appropriately carried through the remainder of the standard, which we believe would be confusing to practitioners...

In addition, we believe the decision not to adopt “subject matter information” and “underlying subject matter” results in further misalignment of the proposed objectives with the defined term “misstatement” reflected in proposed AT-C Section 105, *Concepts Common to All Attestation Engagements*. We foresee similar operational challenges because the definition of misstatement does not make sense when only the phrase “subject matter” is used. We respectfully request that the Board reconsider its decision not to adopt “subject matter information” and “underlying subject matter” in the proposed standards. By adopting the two terms from ISAE 3000, we believe the Board can develop clearer requirements that align with the objectives of the engagement and other defined terms provided in the proposed standards.

#### Limited assurance engagements

##### Terminology

Although we support more closely converging the proposed standard with ISAE 3000 with regard to certain terminology and requirements, we do not support the Board’s proposal to

change the name of a “review engagement” to a “limited assurance engagement.” While the latter phase may be a more relevant term in explaining the nature of the engagement, the benefit of changing the term may not be worth the expected challenges associated with attempting to explain that nothing but the name has changed. We understand that the applicable AICPA boards may consider aligning the other sets of standards with this nomenclature, but we believe it is unlikely that the Public Company Accounting Oversight Board would consider changing the name of interim reviews performed in accordance with PCAOB standards. Therefore, it would be confusing to create, within the U.S. jurisdiction, a different term that means the same thing when the existing term is used by a different standard-setter. We believe creating such an unnecessary inconsistency would not be helpful to the profession and would ultimately create confusion for financial statement preparers and users.

#### Analytical procedures

In considering the requirements in paragraphs .19 and .20 of proposed AT-C Section 210, we found it unclear whether the practitioner is required to perform analytical procedures in every engagement. Even though this is discussed at various points in the application guidance, the requirement itself is unclear with regard to applicability. As the Board has discussed during its deliberations of this proposal, certain subject matter may not be conducive to being subjected to analytical procedures, and therefore we recommend the Board move these paragraphs to the application guidance or clarify in the existing paragraphs that analytical procedures may or may not be relevant to the engagement.

In addition, we have significant concerns with proposed paragraphs .A24 through .A26. Paragraph .A24 reads as follows.

In a limited assurance engagement, procedures generally are limited to inquiries and analytical procedures. However, analytical procedures may not be possible when the subject matter is qualitative, rather than quantitative. In circumstances in which inquiry and analytical procedures are not expected to provide sufficient appropriate limited assurance evidence, or when the nature of the subject matter does not lend itself to the application of analytical procedures, the practitioner may perform other procedures that he or she believes can provide the practitioner with a level of assurance equivalent to that which inquiries and analytical procedures would have provided. ...

If the practitioner cannot meaningfully execute analytical procedures against the subject matter, we are not sure how the practitioner would know what level of assurance inquiry and analytics would yield. We believe this paragraph, along with paragraphs .A25 and .A26, are difficult to understand and to execute, and therefore recommend that the Board to delete these paragraphs. We believe the other proposed changes to this section provide sufficient guidance for a practitioner to scope and perform a review engagement under the attestation standards.

#### Reporting

We fully support the notion of expanded practitioner reporting. We believe that providing greater transparency is in the public interest and aligns with the other standard-setting activities recently undertaken by the Board within the auditing standards.

However, with regard to the fourth topic in “Request for Comment 4” of the exposure draft, we do not support the proposed approach of allowing for an adverse conclusion in a review engagement. In our view, the most workable solution to reporting in a review engagement when there is a misstatement of the subject matter is to follow the construct set forth in paragraphs .35 through .37 of AU-C 930, *Interim Financial Information*. We propose the following paragraphs for the Board’s consideration and recommend eliminating the notion of an adverse conclusion and the phrase “material and pervasive” from proposed AT-C Section 210:

When the subject matter has not been prepared in accordance with the criteria in all material respects, the practitioner should consider whether modification of the practitioner’s report on the subject matter is sufficient to address the departure from the criteria.

If the practitioner concludes that modification of the standard report is sufficient to address the departure, the practitioner should modify the report. The modification should describe the nature of the departure and, if practicable, state the effects on the subject matter.

If the practitioner believes that modification of the report is not sufficient to address the departures from the criteria, the practitioner should withdraw from the review engagement and provide no further services with respect to such subject matter.

We believe these paragraphs provide more reasonable and appropriate flexibility for any situations where departures from the criteria occur but a modified opinion providing limited assurance is still an acceptable approach.

Prohibition on the performance for certain subject matter

In response to the Board’s “Request for Comment 6” of the exposure draft, we believe that the proposed standard should continue to prohibit the practitioner from performing a review engagement on prospective financial information, internal control, and compliance with requirements of specified laws, regulations, rules, contracts, or grants. We believe that providing limited assurance on these types of subject matter is not in the public interest. Those subject matters do not lend themselves to enabling a practitioner to obtain limited assurance such that it would be meaningful to users, and such reporting therefore may be misunderstood as to the assurance provided.

Agreed-upon procedures engagements

We believe that practitioners could benefit most from increased flexibility in existing AT-C Section 215, *Agreed-Upon Procedures Engagements (AUP)*. As noted in our letter to Accounting and Review Services Committee dated December 1, 2017 on their Selected Procedures proposal, we believe there are certain instances where the nature of the entities involved preclude the practitioner’s ability to obtain acknowledgement of the sufficiency of the procedures from each of the parties, which makes an existing AUP impractical. This potentially denies intended users of the benefit of having an independent practitioner involved. We then went on to recommend that the concepts of a selected procedures engagement be integrated into the existing AT-C

Section 215. Although we believe this approach is ultimately achievable, we would not object if the Board were to determine that separate sections within the standard aligning with current extant and selected procedures (where the practitioner would agree to be engaged to perform based on the circumstances of the engagement).

As we considered the proposed revisions to AT-C Section 215, we do not believe the proposed standard clearly defines the alternative paths available to the practitioner, as the notion of a “specified party” is significantly de-emphasized. Further, the few paragraphs of application guidance that are proposed are not sufficient to properly guide practitioners that seek to perform an extant AUP if the Board’s intention is to retain that approach. In addition, we believe there are other areas of the proposed standard that are confusing and would create operational challenges in practice. We provide recommendations for the Board’s consideration on the following areas.

- Introduction and preconditions
- Terminology and definitions
- Reporting

Introduction and preconditions

Proposed paragraph .03 provides the initial indication that an extant AUP may still be performed under the proposed standard. However, we urge the Board to develop application guidance related to this paragraph that better describes the notion of “sufficiency” and provides matters for the practitioner to consider and circumstances where an extant AUP might be appropriate.

We believe the preconditions set forth in proposed paragraph .11 are a bit obtuse. We strongly recommend the Board consider the proposed requirements in paragraph .21 of the IAASB’s draft International Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements*, which was discussed at the recent September 2018 IAASB meeting and are as follows.

- (a) The engaging party acknowledges that the procedures to be performed are appropriate for the purpose of the engagement;
- (b) The agreed-upon procedures and findings can be described objectively, in terms that are clear, not misleading, and not subject to varying interpretations; and
- (c) The practitioner is not aware of any facts or circumstances suggesting that the procedures the practitioner is being asked to agree are appropriate for the purpose of the agreed-upon procedures engagement.

We support the notion that the ultimate procedures that will be performed are not necessarily fully developed or determined prior to the practitioner accepting the engagement. Therefore we believe that the precondition can focus on the fact that the practitioner has a reasonable basis

to proceed as it appears that appropriate procedures can be applied to meet the objective of the engagement.

Terminology and definitions

*Criteria*

We strongly urge the Board to eliminate the notion of “criteria” from the AUP standard. Even as the AUP standard exists today, practitioners struggle with understanding what role “criteria” plays in an AUP engagement, and it appears inclusion of the term is unnecessary to sufficiently execute the engagement. We further note this concept is not in the extant International Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. We believe instances of the use of criteria can be easily revised to focus on procedures and subject matter. This project provides the Board with an opportunity to make such revisions, and, in our opinion, improve the understandability of the standard in general.

*Specified parties*

In order to make the proposed standard more operational in cases where a practitioner performs an extant AUP, we recommend that the Board reinstate extant paragraphs .10a and 10b, which discussed specified parties. However, we do not believe these paragraphs should reside in the context of preconditions. Rather, they can be developed into a separate section (adjacent to the section on agreeing to the terms of the engagement), along with the following requirement set forth in extant paragraph .11 and its related application guidance.

The practitioner should not accept an agreed-upon procedures engagement when the specified parties do not agree upon the procedures performed, or to be performed, or do not take responsibility for the sufficiency of the procedures for their purposes....

Ultimately, we envision a construct similar to that used in AU-C Section 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*, whereby common requirements are set forth and then other requirements are organized by whether the group auditor will make reference to the component auditor or take responsibility for the component auditor’s work. In a similar fashion, we believe the proposed standard could be set up to contain sections specific to when an extant AUP engagement is performed and when the new more flexible AUP engagement is performed, including, for example, the extant guidance with respect to adding specified parties.

We believe the standard should be further clarified to address the interaction between the presence of specified parties and restricting the use of the practitioner’s report. In instances where the practitioner obtains acknowledgement from specified parties, does that automatically indicate that the report would need to be restricted to those parties? Conversely, would a specified party be required to sign an acknowledgement in order to be named in the report restriction? While we acknowledge the flexibility provided in the proposed standard is beneficial, we recommend that the requirements with respect to the concepts of specified parties and report restrictions be more specific to address potential confusion/inconsistencies that may develop in practice.

*Nonparticipant parties*

We believe it would be helpful for practitioners if the Board reinstated the definition of a “nonparticipant party” to provide better context to proposed paragraph .A61. As noted, we believe that extant AUP will continue to have a place in the market and that practitioners should therefore have sufficiently clear guidance to properly execute on all aspects of an extant AUP.

*Reporting*

We are generally supportive of the proposed revisions to the illustrative practitioner’s reports and related requirements. However, while we appreciate that the statement regarding the fact that the report may not be suitable for any other purpose was retained, we believe that the practitioner should explicitly disclaim responsibility for the sufficiency or appropriateness of the procedures performed, as applicable under the engagement circumstances. The absence of such a statement could imply that the practitioner does take some level of responsibility for the procedures performed, which we do not believe would be appropriate.

*Restriction on use/Specified Party Acknowledgement*

As described above, we note that the guidance with respect to restricting use and obtaining acknowledgement of the sufficiency of the procedures use in application paragraphs .A13-.A15 may not be well understood as to (1) whether restricting the use requires the practitioner to obtain an acknowledgment from those parties (we believe that this should not be required); and (2) whether certain guidance paragraphs are intended to be viewed as requirements in a circumstance where acknowledgement is obtained. For example paragraph .A15 with respect to the engagement letter indicates the “may include that other parties acknowledge that they assume responsibility for the sufficiency of the procedures” but does not require such. We recommend the Board revisit the guidance in these paragraphs to be clear as to what the practitioner is required to perform if the engagement is being performed under extant requirements. We acknowledge this may need to include the addition of requirements that would be positioned as ‘if applicable, however, we believe this is necessary if the extant AUP approach is integrated with the proposed changes.

We also note that proposed paragraph .33 of AT-C Section 215 sets forth the following requirement related to restricting the use of the practitioner’s report:

In the following circumstances, the practitioner’s agreed-upon procedures report should include an alert, in a separate paragraph, that restricts the use of the report:

- a. The engaging party or other party prescribes the procedures for the practitioner to perform and precludes the practitioner from performing or designing additional procedures.
- b. The practitioner determines that the criteria used to evaluate the subject matter are appropriate only for a limited number of parties who either participated in their establishment or can be presumed to have an adequate understanding of the criteria.

- c. The criteria used to evaluate the subject matter are available only to the specified party.

Part of our concern with the proposed requirement stems from our misgivings about the role criteria plays in the context of an AUP engagement. In our view, the fact that the practitioner is no longer required to request a written assertion eliminates any need to consider criteria for purposes of restricting the report. Instead, we believe proposed paragraph .33b could be revised to state that “the objective of the engagement or procedures to achieve that objective are appropriate only for a limited number of parties.” We believe proposed paragraph .33c could be eliminated entirely.

#### Concepts common to all attestation engagements

Based on our recommendation to eliminate “criteria” from proposed AT-C Section 215, we believe additional revisions would be necessary in AT-C Section 105 to clarify that suitable and available criteria is limited to examinations and review engagements. The current application guidance already lends itself more toward examinations and reviews and does not seem relevant in the context of an AUP.

Further, we note that our recommendations above, if accepted by the Board, would have implications for AT-C Section 105, such as changes to the definitions and other matters.

#### Effective date

As noted above, we do support a measured approach to finalizing the standard and recognize that the areas of proposed changes, if adopted, are significant and therefore we support providing ample time for adoption. Therefore we would recommend an effective date of no earlier than reports issued after December 15, 2020. We do not see an issue with early adoption and are supportive of not precluding such an approach.

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We would be pleased to discuss our comments with you. If you have any questions, please contact Bert Fox, National Managing Partner of Professional Standards, at (312) 602-9080 or [Bert.Fox@us.gt.com](mailto:Bert.Fox@us.gt.com).

Sincerely,

/s/ Grant Thornton LLP

# Appendix

## Paragraph-level comments

The following provides additional specific paragraph-level comments for the Board's consideration.

Paragraph	Comment
<i>AT-C Section 105</i>	
.01	We noted that a parenthetical phrase, "(hereinafter referred to as an assertion)" that is included in extant is not in the proposal. We believe this parenthetical provides necessary clarification since the proposal still allows for a practitioner to report on an assertion, and the notion of assertion is sprinkled, albeit inconsistently, throughout the AT-C sections. Therefore, we recommend reinstating it to this paragraph.
.02	We disagree with the inclusion of the last sentence of this paragraph. Since AT-C Section 105 also applies to agreed-upon procedures engagements, we believe it's inappropriate to imply that a practitioner's agreed-upon procedures report is "intended to enhance the degree of confidence that intended users can place in the subject matter." A practitioner's agreed-upon procedures report includes procedures and findings makes quite clear that no assurance is being given on the subject matter. Therefore, we recommend deleting the last sentence of this paragraph.
.25c	<p>We recommend adding a precondition to this paragraph that is similar to that found in paragraph .24(b)(vi) of ISAE 3000, which states the following:</p> <p style="padding-left: 40px;">A rational purpose including, in the case of a limited assurance engagement, that the practitioner expects to be able to obtain a meaningful level of assurance.</p> <p>ISAE 3000.A56 contains relevant application guidance to this paragraph, which we believe would be beneficial to practitioners in operationalizing the new standards and considering whether a particular engagement would be appropriate in the circumstance for the practitioner to associate himself/herself with.</p> <p>We suggest rewording 25(c)(iv.) to simplify the requirement- "The practitioner's opinion, conclusion, or findings will be included in a written practitioner's report in a form appropriate to the engagement.</p>
.25b	We recommend clarifying the phrase added "in accordance with or based on the criteria' as we believe it is confusing in the context of whether the responsible party is actually making an assertion to that effect. If the Board adopts the recommendation to integrate the notion of subject matter information, perhaps that would assist in providing context for what is meant by the phrase.
<i>AT-C Section 205</i>	
.8d	We found the Board's use of different terms at various points in this paragraph to be confusing. The lead-in to the sub-bullets refer to the "appropriate party" whereas the first sub-bullet refers to the "responsible party" specifically. In order to make responsibilities more clear, we recommend the Board separate responsibilities that can be attributed to an "appropriate party" from those attributed specifically to the "responsible party." We did not find the application guidance added as .A4 in the proposed standard to be helpful in navigating this issue. We believe the existing construct that more clearly delineates the responsibilities when the engaging party is not the responsible party is much more understandable.

.A10	<p>We believe the following portion of paragraph .A10 is more appropriate to include as a requirement instead of application guidance. If a written assertion is relevant to the engagement and will be obtained, the responsible party should be required to acknowledge that responsibility. This would then align the terms of the engagement section with the requirement at proposed paragraph .61 in the reporting section. Suggested edits to the proposed language are provided in bolded italics and strikethrough.</p> <p>For engagements in which an assertion is obtained (for example, the assertion is required by law, regulation, or contract, or the practitioner is reporting on management's assertion), or otherwise deemed necessary, the practitioner <b>may should</b> include in the engagement letter the responsible party's acknowledgement that it will provide the practitioner with a written assertion <b>that covers the entire relevant period(s)</b>.</p> <p>In addition, we recommend adding as application guidance to this requirement the guidance currently in extant paragraph .A6 of AT-C section.</p> <p>Situations may arise in which the current responsible party was not present during some or all of the period covered by the practitioner's report. Such persons may contend that they are not in a position to provide a written assertion that covers the entire period because they were not in place during some or all of the period. This fact, however, does not diminish such persons' responsibilities for the subject matter as a whole. Accordingly, the requirement for the <del>practitioner to request a written assertion from the responsible party to acknowledge its responsibility to provides, and subsequently provide, a written assertion</del> that covers the entire relevant period(s) still applies.</p>
.15	<p>We note this as another instance where the Board intermingles the use of "appropriate party" and "responsible party." As noted previously, we believe this creates confusion with regard to how the practitioner is expected to operationalize this requirement and request the Board to clarify its intentions by separating requirements applicable to each party or consistently using the same term. For this paragraph specifically, it is unclear whether the Board intends for the practitioner to make these inquiries of all parties involved, such as the engaging party and responsible party or whether it'd be sufficient for the practitioner to make these inquiries of just the engaging party.</p>
.16 and .18b	<p>We found these paragraphs to be additional instances where closer convergence with ISAE 3000 and the use of separate terms "underlying subject matter" and "subject matter information" would make this requirement more operational. The notion of convergence is discussed in detail in the body of our letter.</p>
.50	<p>The Board's objective with portions of this requirement is unclear because, in certain lead-ins to the sub-bullets, it refers to the "appropriate party" whereas, in the sub-bullets, it may refer to the "responsible party." We request the Board to clarify its intentions by separating requirements applicable to each party or consistently using the same term. We did not find the application guidance added as .A61 in the proposed standard to be helpful in navigating this issue. We believe the existing construct whereby a separate requirement contains the required representations when the engaging party is not the responsible party is much more understandable.</p>
<b>AT-C Section 210</b>	
.09, .A4, .13, .34, and .A48	<p>We have similar concerns with these paragraphs as expressed above regarding the use of "appropriate party" and "responsible party" in the corresponding proposed paragraphs of AT-C section 205.</p>
.A10	<p>We provide similar recommendations and related edits to this paragraph as those provided in our comments on AT-C section 205.A10 above. We believe this will better align with the reporting-related requirement at proposed paragraph .45.</p>
Overall	<p>Based on our comments above, we believe the definition of a modified conclusion should also be revised.</p>

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*AT-C Section 215*

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| .03  | We recommend the following edits, shown in bolded italics and strikethrough, to the second sentence of this paragraph.<br><br>Circumstances may exist in which the practitioner may <del>want</del> <b><i>determine it appropriate to obtain</i></b> acknowledgement regarding the appropriateness of the procedures from other parties in addition to the engagement party...   |
| .12  | After proposed paragraph .12, we recommend reinstating extant paragraph .13, which states "The agreement should be addressed to the engaging party." It is unclear why this requirement would be eliminated in the context of this project, and we believe it is an appropriate requirement to retain.   |
| .A8  | Suggest clarifying this guidance as it is not clear whether this is intended to be a non-attest service or Consulting standards or both.   |
| .A15 | It seems as though this paragraph should also incorporate the notion that other parties may acknowledge that the procedures are appropriate for the intended purpose of the engagement to accommodate both potential paths that can be taken within the proposed standard.   |
| .A37 | We recommend deleting this application guidance because we do not find it useful or relevant within the context of an AUP engagement.  |
| .A43 | We recommend considering additional guidance with respect to circumstances where the description of the procedures performed may be viewed as misleading. This also might include circumstances where certain procedures were initially performed however the engaging party indicates that those procedures may not be necessary to include in the final report.  |
| .32e | We strongly recommend that the Board add a requirement to this paragraph as sub-bullet (iii) that the practitioner does not take responsibility for the appropriateness of the procedures. Language to this effect is included in extant AT-C section 215, and we believe it is essential in making the practitioner's responsibilities clear in the practitioner's report. Our suggested language is as follows.<br><br>The practitioner makes no representation regarding the appropriateness of the procedures either for the purpose for which the report has been requested or for any other purpose. |
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