

Limited Assurance Survey Instrument

1. There are two elements in the description of additional procedures for a limited assurance engagement that have been controversial in discussions at the IAASB. Those elements are illustrated here by reference to the following extract from extant ISAE 3000.37.

...if the practitioner becomes aware of a matter that leads the practitioner to question whether a material modification should be made to the subject matter information, the practitioner pursues the matter by performing other procedures sufficient to enable the practitioner to report.
2. The first element describes the “trigger” that determines when the practitioner needs to perform additional procedures. In the above extract, the first element is “...if the practitioner becomes aware of a matter that leads the practitioner to question whether a material modification should be made to the subject matter information ...”
3. The second element describes the extent of those procedures, i.e., at what point the practitioner can stop performing additional procedures. In the above extract, the second element is “... the practitioner pursues the matter by performing other procedures sufficient to enable the practitioner to report.”
4. Options for wording these two elements are included in the tables on the following pages, with those words that vary from one option to the next being underlined. These options are primarily modeled on wording presented in extant ISAE 3000 and drafts of revised ISAE 3000, ISRE 2400 and ISAE 3410 considered by the IAASB in Malta. While the generic term “subject matter information” is used in these options, it would of course be replaced in ISRE 2400 and ISAE 3410 by “financial statements” and “GHG statement” respectively assuming parallel wording is to be used in all three standards.
5. **Members are asked to rank all options for each of the two elements. Please rank options starting from 1 for the option you find most acceptable/preferred.** You are also invited to add any additional options you think should be considered and any comments you would like the relevant Task Forces to consider, in particular:
 - (a) Any option that you would find completely unacceptable and the reason why;
 - (b) Any comments you may have on the alternative wording included in the footnotes; and
 - (c) Any objection to the assumption that parallel wording is to be used in all three standards.
6. Please return your completed survey to michaelnugent@ifac.org by Friday October 15, 2010.

The first element—The trigger for additional procedures

Options	Rank all options from 1 (most preferred) to 7 (least preferred)	Comments, in particular: <ul style="list-style-type: none"> • Reason for your most preferred selection (Ranking of 1); and • Please note any option that you would find completely unacceptable and the reason why.
If the practitioner becomes aware of a matter that ¹ indicates ² <u>a material modification should be made to the subject matter information</u> ...		
If the practitioner becomes aware of a matter that indicates <u>the subject matter information is materially misstated</u> ...		
If the practitioner becomes aware of a matter that indicates <u>the subject matter information may be materially misstated</u> ...		
If the practitioner becomes aware of a matter that indicates <u>the subject matter information is likely to be materially misstated</u> ... <i>(Note: For this option, which is worded the same as the following one, assume that the word “likely” will be defined/described as meaning greater than 50%, i.e., “more likely than not.”)</i>		
If the practitioner becomes aware of a matter that indicates <u>the subject matter information is likely to be materially misstated</u> ... <i>(Note: For this option, which is worded the same as the previous one, assume that the word “likely” will have a more judgmental, plain language meaning.)</i>		

¹ Alternative wording for the phrase “If the practitioner becomes aware of a matter that” could be “If results of the procedures performed by the practitioner.”

² Alternative wording for “indicates” could be “leads the practitioner to question whether,” or “leads the practitioner to believe that.”

Limited Assurance – Additional Procedures Survey Instrument
 IAASB Main Agenda (December 2010)

<p style="text-align: center;"><i>Options</i></p>	<p style="text-align: center;"><i>Rank all options from 1 (most preferred) to 7 (least preferred)</i></p>	<p><i>Comments, in particular:</i></p> <ul style="list-style-type: none"> • <i>Reason for your most preferred selection (Ranking of 1); and</i> • <i>Please note any option that you would find completely unacceptable and the reason why.</i>
<p>If the practitioner becomes aware of a matter that indicates <u>the subject matter information contains a misstatement that is clearly other than trivial</u> ...</p>		
<p>If the practitioner becomes aware of a matter that indicates <u>the practitioner cannot express an unmodified conclusion</u>...</p>		
<p><i>[Insert additional option here if you think it appropriate]</i></p>		

The second element—Extent of additional procedures

Options	Rank all options from 1 (most preferred) to 4 (least preferred)	Comments, in particular: <ul style="list-style-type: none"> Reason for your most preferred selection (Ranking of 1); and Please note any option that you would find completely unacceptable and the reason why.
<p>... the practitioner shall pursue the matter by performing additional procedures³ sufficient to enable the practitioner to <u>report</u>.</p>		
<p>... the practitioner shall pursue the matter by performing additional procedures sufficient to enable the practitioner to <u>(or until the practitioner is able to)</u>:</p> <p><u>(a) Obtain the desired (or planned) level of assurance that the affected item(s) do not cause the subject matter information to be materially misstated;</u></p> <p><u>(b) Determine⁴ that the affected item(s) cause the subject matter information to be materially misstated; or</u></p> <p><u>(c) Determine that the practitioner is unable to do either (a) or (b) above and that therefore a scope limitation exists.</u></p>		
<p>... the practitioner shall pursue the matter by performing additional procedures sufficient to enable the practitioner to <u>(or until the practitioner is able to)</u>:</p> <p><u>(a) Conclude that the affected item(s) are not likely to cause the subject matter information to be materially misstated;</u></p> <p><u>[(b) and (c) as above]</u></p> <p><u>(Note: For this option, which is worded the same as the following one, assume that the word “likely” will be defined/described as meaning greater than 50%, i.e., “more</u></p>		

³ Alternative wording for the phrase “the practitioner shall pursue the matter by performing additional procedures” could be “the practitioner shall design and perform additional procedures,” or “the practitioner shall perform such additional procedures as are necessary in the practitioner’s professional judgment.”

⁴ Alternative wording for “determine” as used here could be “obtain reasonable assurance.”

Limited Assurance – Additional Procedures Survey Instrument
 IAASB Main Agenda (December 2010)

Options	Rank all options from 1 (most preferred) to 4 (least preferred)	<p>Comments, in particular:</p> <ul style="list-style-type: none"> Reason for your most preferred selection (Ranking of 1); and Please note any option that you would find completely unacceptable and the reason why.
<u>likely than not.”)</u>		
<p>... the practitioner shall pursue the matter by performing additional procedures sufficient to enable the practitioner <u>to (or until the practitioner is able to):</u></p> <p><u>(a) Conclude that the affected item(s) are not likely to cause the subject matter information to be materially misstated;</u></p> <p><u>[(b) and (c) as above]</u></p> <p><u>(Note: For this option, which is worded the same as the previous one, assume that the word “likely” will have a more judgmental, plain language meaning.)</u></p>		
[Insert additional option here if you think it appropriate]		

