

**Engagements to Review Historical Financial Statements—
Significant Issues Raised by Respondents on the Exposure Draft and IAASB
Task Force Proposals**

Main Proposals in the Exposure Draft for Proposed ISRE 2400 (Revised)¹

1. Proposed ISRE 2400 (Revised) (ED-2400) is a substantive revision of the extant ISRE.² It addresses the following topics:
 - Scope.
 - The practitioner's objectives for the engagement.
 - Definitions of key terms.
 - Requirements relating to:
 - Relevant ethical requirements, professional judgment and quality control;
 - Engagement acceptance and continuance;
 - Performing the engagement;
 - Communication and documentation; and
 - Reporting.
 - Illustrative engagement letter and engagement reports.

Key Principles Applied in Developing the Proposed ISRE

2. The IAASB developed the proposed ISRE as a stand-alone engagement standard, intended for use by practitioners who may not habitually also perform audit engagements in accordance with the ISAs. The IAASB has paid particular attention to the fact that review engagements are sometimes an important area of activity for small and medium practices (SMPs).
3. Further, the IAASB understands that, in many countries and jurisdictions, review engagements may become more widely used for those types of entities that, until recently, were required to be audited and that now fall below mandatory audit thresholds. Accordingly, the proposed ISRE is being developed as a principles-based standard, while at the same time providing a robust framework for review engagements appropriate for international adoption.

¹ Proposed International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*

² ISRE 2400, *Engagements to Review Financial Statements*

Overview of Responses

4. Comment letters have been received from 49 respondents belonging broadly to the groups shown in Table 1 below. A list of the respondents to ED-2400 is provided in Appendix 3 of this Paper.

Table 1: Respondents to the Exposure Draft (main groupings)

IFAC Boards and Committees	1
IFAC Member Bodies and Other Professional Bodies	25
National Standard Setters	10
Public Sector Audit Authorities	1
Regulators and Oversight Authorities	1
Accounting Firms	9
Others (including individuals)	2
Financial Statement Users	0
TOTAL RESPONSES	49

5. Overall, the responses were supportive of the proposed ISRE. Against the backdrop of that overall support, however, respondents provided comments directed to a number of key areas of the proposed ISRE that warrant further consideration. Many respondents also commented more widely on the proposed ISRE.
6. Overarching observations drawn from the Task Force’s review of the responses to date are:
- The limited assurance nature of the engagement can be further and more clearly emphasized, including in the practitioner’s objectives.
 - Practitioners performing reviews will need to have capability in assurance skills and techniques. This factor, which is important to engagement quality, needs to be clear in the draft ISRE.
 - The distinction between a review of financial statements and an audit needs to be more clearly drawn, particularly in the context where the need arises to perform additional procedures in a review in the context of the overarching objective of obtaining limited assurance as the basis for the practitioner’s conclusion.
 - References to the concept of evidence in the draft ISRE can be better aligned with the form of the conclusion expressed in the report issued for the engagement; this would help to improve the clarity and understandability of the ISRE.

- The form of the practitioner’s conclusion expressed in a review is appropriate for communicating the limited assurance nature of the engagement; notwithstanding that in jurisdictions where reviews are not common this type of report is viewed as having some drawbacks.
 - It is important that practitioners clearly understand the context for using ISRE 2400 vs. ISRE 2410.³
 - There is significant need for effective communications with practitioners and with users of financial statements for issuance of the revised ISRE as a final standard, particularly in those jurisdictions where reviews are not common or have not previously been used.
7. This Paper highlights a number of significant issues arising from respondents’ comments to ED-2400, along with the Task Force’s view on how to address them. The Task Force has raised a number of issues (Issues I – IV), that, depending on the IAASB’s views, will involve amending the draft ISRE, for which the Task Force has included its proposals for the IAASB’s consideration. These are issues that are essential to the Task Force’s work on the amended draft ISRE going forward. The Task Force has also highlighted some issues (Issues V–VI) raised by respondents looking forward to the stage where the standard is finalized, for which the Task Force also provides its recommendations.
8. The Task Force will present an analysis of remaining issues noted in respondents’ comments, and its proposed responses to address them, at the March 2012 IAASB meeting.

Significant Issues

I. The Concept of Limited Assurance in a Review of Financial Statements: The Practitioner’s Objectives, Conclusion, and Evidence Supporting Expression of the Conclusion

Issues

- (i) The term “limited assurance” – viewed by many respondents as a key concept in describing the review engagement – is not included in either the practitioner’s objectives for the engagement or the requirements of the proposed ISRE.
- (ii) ED-2400 refers in various places to evidence that is “sufficient and appropriate” and to the “sufficiency and appropriateness” of evidence obtained. These phrases resonate with readers/respondents as being associated with reasonable assurance. Some respondents expressed concern that the phrase will be confusing for practitioners and other readers of the ISRE unless placed in the appropriate context for a review engagement.

³ ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*

Task Force Proposals

- Include a definition of the term limited assurance in the draft ISRE that is based on the descriptions and definitions of the term contained in the *International Framework for Assurance Engagements* (Assurance Framework) and the Exposure Draft of proposed revised ISAE 3000⁴ (ED-3000), respectively, adapted appropriately for a review of historical financial statements.
- Include the defined term limited assurance in the practitioner's objectives for the engagement to review financial statements.
- Include in the proposed definition of limited assurance for the draft ISRE an appropriate reference to the evidence-based nature of a review. This is needed to assist practitioners' understanding that, notwithstanding that procedures performed in a review are intended to be limited relative to an audit the expression of the practitioner's conclusion is nonetheless based on evidence obtained from the procedures performed.
- Provide additional application guidance on what is meant by sufficient appropriate evidence in a review, including in the context of undertaking additional procedures where necessary (see further discussion at Issue III below).

Matters Raised by Respondents

Overall Perceptions of the Review Engagement under the Proposed ISRE

9. ED-2400 explicitly questioned whether respondents believed the proposed ISRE would result in an assurance engagement that will be meaningful to users; the majority of respondents who commented on this issue agreed.⁵ Three respondents⁶ disagreed, on the grounds that the distinction between a review and an audit is not clear under the proposed ISRE.
10. Similarly, the majority who commented⁷ believed the proposed ISRE will result in an engagement that can be understood by practitioners, and be performed in a cost-effective manner that clearly distinguishes the review from the audit. However, a few respondents⁸ disagreed that the engagement will be able to be understood and performed by practitioners in a cost-effective manner. Another few respondents⁹ also disagreed that the engagement can be performed in a way that clearly distinguishes the review from an audit.

⁴ Proposed International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

⁵ AICPA; ACCA; AUASB; AG-NZ; BHD; CALCPA; CGA; CMA; CAASB; EvansMartin; IFAC SMPC; HCA; HKICPA; ICPAS; ICAEW; ICPAK; ICAP; JICPA; MIA-Malta; MNP; OCAQ; PwC; RSM; SAICA; ZICA

⁶ APB; BDO; KPMG

⁷ AICPA; ACCA; AUASB; AG-NZ; CALCPA; CGA; CAASB; DTT; EvansMartin; GT; IFAC SMPC; ICPAS; ICAEW; ICPAK; ICAP; JICPA; MIA-Malaysia; MNP; OCAQ; PwC; IBRACON; RSM; SAICA; ZICA

⁸ BHD; CMA; NZICA

⁹ BDO; CNCC; CNDCEC

The Practitioner’s Objective for a Review of Historical Financial Statements

11. While many respondents agreed¹⁰ that the practitioner’s objectives stated in the proposed ISRE appropriately describe the expected outcome of the practitioner’s work in a review, and the means by which the objectives are to be achieved, but an equal number disagreed.¹¹ Many respondents also believed the wording of the objectives may have unintended consequences, or blur the difference between a review engagement and an audit.¹²
12. Reasons provided by respondents who disagreed with the wording of the practitioners’ objectives are that, as stated in ED-2400, the objectives:
 - Lack reference to the concept of limited assurance, which is the principal difference between the review and the audit.¹³
 - Fail to provide a reference point against which the practitioner can evaluate whether the practitioner has obtained limited assurance.¹⁴
 - Use wording that makes reference to the sufficiency and appropriateness of evidence obtained, and believed this wording will lead to confusion as to the difference between an audit and a review and could easily be interpreted as implying audit-level evidence.¹⁵
 - Are perceived as being inconsistent with respect to the wording of the practitioner’s conclusion; there is a logical inconsistency between “evaluating the sufficiency and appropriateness of the evidence obtained” and the wording of the practitioner’s conclusion “nothing has come to my attention” expressed in the report in accordance with the ISRE.¹⁶
 - Are a condensed description of how the review engagement is performed, instead of reflecting what the practitioner must achieve in a review of financial statements (i.e., to obtain limited assurance in order to express a conclusion on the financial statements in the form required under the ISRE).¹⁷

Task Force View and Proposals

13. In developing the proposed ISRE, the Task Force initially decided, after obtaining views from the IAASB and the IAASB Consultative Advisory Group (CAG) in the pre-exposure discussions, not to include a definition of limited assurance in the proposed ISRE. In view

¹⁰ AUASB; BHD; CALCPA; CAASB; IFAC SMPC; ICPAK; ICPAS; IRBA; NZICA; MIA-Malaysia; PwC; SC-AOB; ZICA

¹¹ AICPA; APB; ACCA; AG-NZ; BDO; EFAA; FEE; KPMG; ICAS; ICAEW; IDW; HKICPA; JICPA

¹² APB; BDO; BHD; CGA; DTT; EvansMartin; GT; ICAS; ICAP; IRBA; IBRACON; JICPA; PwC; SAICA

¹³ AICPA; APB; GT; EFAA; FEE; IFAC SMPC; ICAS; HKICPA; JICPA

¹⁴ AICPA; CAASB; PwC

¹⁵ APB; BDO; BHD; CGA; DTT; EvansMartin; FSR; GT; IBRACON; ICAP; IRBA; PwC; SAICA

¹⁶ APB; KPMG

¹⁷ ACCA; AICPA; AG-NZ; ICAS; HCA; HKICPA

of the significant number of responses that call for the term to be included in the practitioner’s objectives for a review of financial statements, the Task Force is reconsidering that position.

14. The Task Force believes that defining limited assurance for a review of financial statements is the best way to resolve respondents’ concerns that the practitioner’s objectives are not sufficiently clear regarding limited assurance, evidence, and their relationship to the negative form of conclusion. In the Task Force’s preliminary view, the definition of limited assurance for a review should both:
 - (a) Align with existing descriptions and definitions of the term (i.e., as set out in the Assurance Framework and ISAE 3000/ED-3000, including reference to the concepts of evidence, level of assurance (limited) and engagement risk, and the form of conclusion expressed in a limited assurance engagement – see relevant extracts from existing and draft proposed IAASB pronouncements in Appendix 2 to this Paper); and
 - (b) Be appropriately adapted for the context of a review of financial statements.
15. After considering responses about difficulty in understanding what the phrase “sufficient and appropriate evidence” means in a review, the Task Force believes that having a definition of limited assurance that includes reference to the evidence-based nature of a review engagement will be a helpful clarification for practitioners. This would improve the draft ISRE in two ways:
 - (a) It would strengthen practitioners’ conceptual understanding of the review as a form of assurance engagement based on obtaining limited assurance; and including reference to evidence as the basis for expressing the practitioner’s conclusion would avoid possible confusion among some readers who might otherwise view the engagement as consisting only of performing certain types of procedures.
 - (b) The draft ISRE would be better aligned with the Assurance Framework and other IAASB pronouncements that also address limited assurance engagements (such as those performed under the ISAE series). (See Appendix 1 of this Paper for an overview of IAASB pronouncements, including those currently under development, addressing limited assurance engagements.)

Matters for IAASB Consideration

1. Does the IAASB agree with the Task Force’s proposals that:
 - (a) The term limited assurance should be used in the draft ISRE as a defined term, based on the Assurance Framework and proposed ED-3000 definitions, appropriately adapted for the context of a review of financial statements?
 - (b) The definition in the draft ISRE should include reference to the evidence-based nature of the review, and application material should provide the appropriate context for references made in the draft ISRE to “sufficient and appropriate” evidence in a review? Further explanation and guidance could be provided elsewhere in the draft ISRE, as necessary, for example in the context of evaluating evidence obtained to

support expression of the conclusion.

- (c) The practitioner’s objectives should include the term limited assurance as defined in the draft ISRE?
2. Does the IAASB consider that the practitioner’s objectives for a review engagement, and the related requirements and application material in the draft ISRE, would likely be clearer and more understandable for practitioners if these amendments were made to the draft ISRE?

II. The Practitioner Undertaking a Review Engagement—Competency in Assurance Skills and Techniques

Issue

- (iii) The requirements and guidance of ED-2400 implicitly assume a practitioner’s competency in using assurance skills and techniques relevant to performing assurance engagements. However, ED-2400 does not expressly specify that practitioners should possess these competencies to be able to perform a review of historical financial statements. This has given rise to some doubt among respondents whether practitioners would understand how to perform the engagement under the proposed ISRE in compliance with the proposed objectives and requirements. It is intended that practitioners should be able to use the ISRE as a stand-alone standard without need to refer to the ISAs. In the absence of an explicit statement regarding practitioner competency, thought may need to be given to expanding the draft ISRE to include more guidance and explanations similar to that contained in the ISAs and the ISAEs.

Task Force Proposal

- It should be explicit in the draft ISRE that a practitioner performing a review of financial statements under the ISRE needs to have the necessary competencies and capability in using assurance skills and techniques to be able to perform an effective review, and to comply with the ISRE.

Matters Raised by Respondents

16. Some respondents¹⁸ pointed out that a practitioner who is not experienced in performing audit and assurance engagements will have difficulty performing a review under the proposed ISRE. It was noted that, without the necessary level of skill and competency, including experience, there is a threat to consistency of application of the ISRE and to the quality of outcomes achieved in review engagements.¹⁹
17. The following are some examples where these respondents anticipated that difficulty would be encountered:

¹⁸ AG-NZ; AUASB; CICPA; IRBA; ICAEW

¹⁹ AUASB

- Understanding the nature and scope of a review engagement, and distinguishing it from an audit engagement.²⁰ For example:
 - A practitioner without the competencies and capability of an assurance practitioner may have difficulty obtaining a sufficient understanding of the entity and its environment to be able to develop expectations about the entity's reported financial performance and position;²¹ or may have difficulty achieving the level of awareness and understanding of where there is risk of material misstatement in financial statements.²²
 - While a skilled assurance practitioner can draw on their professional competencies and experience to determine the nature, timing and extent of additional procedures where the need for them arises in a review, a practitioner who lacks the necessary competencies would likely need significant guidance and explanation in addition to that proposed in the ISRE.²³
- Making informed and reasonable professional judgments, including in difficult or contentious areas identified during a review.²⁴
- Performing the engagement on a cost-effective basis.²⁵

Task Force Proposal

18. In light of these comments, and the Task Force's proposal to include the term limited assurance in the objectives requirements and guidance of the proposed ISRE (see Issue # I above), the Task Force believes the ISRE should also expressly state that the practitioner performing a review of financial statements should have the competencies of an assurance practitioner.
19. The Task Force notes that ED-2400, ¶21 requires the practitioner performing the review engagement to comply with relevant ethical requirements, which are defined by reference to the International Ethics Standards Board for Accountants (IESBA) *Code of Ethics for Professional Accountants*, which includes the fundamental principle of professional competence and due care.²⁶
20. Notwithstanding this, the Task Force believes that, as a factor critical to promoting engagement quality in a review, the need for the competencies and capability of the practitioner to expressly include assurance skills and techniques warrants specific clarification in the draft ISRE.

²⁰ AUASB

²¹ AG-NZ; CICPA

²² AUASB

²³ AUASB; ICAEW

²⁴ AUASB; IRBA

²⁵ HCA

²⁶ IESBA Code, Section 130

21. This clarification would eliminate the risk that reviews might be performed by practitioners who lack the necessary competencies and capability to be able to perform an effective review. It would also eliminate the need to replicate substantial portions of relevant assurance literature in the ISAs and the ISAEs, which could undermine the readability and usefulness of the ISRE.
22. On a preliminary basis, the Task Force considers this clarification could be introduced into the draft ISRE in either of two ways:

- (a) Through changing the definitions contained in the draft ISRE (see the proposed definitions contained in ED-3000):²⁷ By including —
- (i) A definition of assurance skills and techniques appropriate for a review of financial statements; and/or
- (ii) A reference to assurance skills and techniques within the definition of “practitioner”.

Practitioner — A professional accountant in public practice who conducts the review engagement. The term includes the practitioner or other members of the engagement team, or, as applicable, the firm. Where this ISRE expressly intends that a requirement or responsibility be fulfilled by the engagement partner, the term “engagement partner” rather than “practitioner” is used. “Engagement partner” and “firm” are to be read as referring to their public sector equivalents where relevant. [ED-2400, ¶17(e)]

- (b) Alternatively, the need for capability in using assurance skills and techniques could be specified within the engagement-level quality control requirements of the draft ISRE.

The engagement partner shall take responsibility for the overall quality of each review engagement to which that partner is assigned, including for:

- (a) The review being performed in accordance with the firm’s quality control policies and procedures applicable to the review engagement, specifically:
- (i) ...
- (ii) Being satisfied that the engagement team collectively *has the appropriate competence and capabilities to perform the review engagement*. [Emphasis added]

[ED-2400, ¶24(a)(ii)]

23. The Task Force has not formed a view on which of these options for clarifying this aspect of the review engagement would be best. The Task Force welcomes the IAASB’s

²⁷ ED-3000 contains the following proposed definitions relevant to practitioner’s competencies for assurance engagements. ¶8(q) *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. [Emphasis added] ¶8(b) *Assurance skills and techniques*—Those planning, evidence gathering, evidence evaluation and reporting skills and techniques demonstrated by an assurance practitioner which are distinct from expertise in the underlying subject matter of any particular assurance engagement or its measurement or evaluation.

preliminary views on respondents' feedback in this area, and how best to clarify this point in the draft ISRE if the IAASB agrees the clarification is needed.

Matters for IAASB Consideration

3. Does the IAASB agree with the Task Force's view that the draft ISRE should require a review of financial statements to be performed by a practitioner whose competencies include capability in using assurance skills and techniques?
4. If the IAASB believes this clarification is needed in the draft ISRE, does the IAASB consider either of the possible approaches outlined above would be more effective to promote clarity on this point in the draft ISRE?

III. Performing Additional Procedures in a Review Engagement

Issues

Respondents commented that:

- (iv) The requirements to perform additional procedures in a review engagement under the proposed ISRE are not sufficiently clear. It is unclear how the performance of additional procedures contributes to achieving the practitioner's objectives for the engagement and obtaining limited assurance as the basis for expressing the practitioner's conclusion.
- (v) Practitioners also need more guidance, explanations and examples concerning additional procedures, in order to understand how to apply the requirements of the ISRE (i.e., on the types and extent of these procedures).

Task Force View and Preliminary Proposals

- The draft ISRE appropriately specifies the circumstances when the practitioner is required to perform additional procedures in a review engagement.
- The draft ISRE should:
 - (a) Better guide the practitioner's approach in applying additional procedures to achieve the practitioner's objectives for the engagement (including clarifying the purpose for undertaking them, and guiding practitioners in determining their nature and extent); and
 - (b) Provide additional application material to illustrate the approach, and to provide examples of situations where additional procedures would be required.

Matters Raised by Respondents

24. One respondent²⁸ noted that a clearer explanation is needed of the two situations that, under the draft ISRE, may warrant additional procedures in a review. That is:

²⁸ JICPA

- (a) If the results obtained from inquiry and analytical procedures do not, in the practitioner’s professional judgment, yield sufficient appropriate evidence to provide the practitioner with a basis to form a conclusion on the financial statements.

The practitioner shall evaluate the sufficiency and appropriateness of the evidence obtained from the inquiry and analytical procedures performed, and determine whether it is necessary to perform additional procedures if the results obtained do not adequately address areas in the financial statements where material misstatements are likely to arise. [ED-2400 ¶48];

and

- (b) If the practitioner has cause to believe the financial statements may be materially misstated.

If the practitioner becomes aware of a matter(s) that causes the practitioner to believe the financial statements may be materially misstated, the practitioner shall design and perform additional procedures sufficient to enable the practitioner to:

- (a) Conclude that the matter(s) is not likely to cause the financial statements as a whole to be materially misstated; or
- (b) Determine that the matter(s) causes the financial statements as a whole to be materially misstated.

[ED-2400 ¶57]

25. Other respondents²⁹ made the point that, because ED-2400 does not establish a benchmark for a specific (or target) level of assurance (limited assurance) that must be obtained as the basis for expressing a conclusion on the financial statements, it is challenging for the practitioner to determine how much evidence is enough to be able to conclude. They suggested that this ambiguity can be avoided by focusing the requirements on whether the results of the procedures performed enable the practitioner to conclude whether the financial statements are likely to be materially misstated. In their view, this approach is better suited to the limited assurance nature and scope of the engagement than attempting to explain how much evidence might be needed to support the conclusion.

Additional Procedures to Address Possible Material Misstatements

26. The majority of respondents commenting on this issue agreed with use of the word *may* as the threshold to describe the conditions where performance of additional procedures would be required.³⁰
27. A few respondents³¹ disagreed with use of the word *may* on the following grounds:
- It can be interpreted very broadly;³²
 - It is unclear;³³

²⁹ PwC; KPMG

³⁰ AG-NZ; AICPA; CALCPA; DTT; EFAA; GT; HKICPA; IBRACON; ICAEW; ICAS; ICPAK; ICPAS; IFAC SMPC; IRBA; JICPA; MIA-Malaysia; MIA-Malta; MNP; OCAQ; PwC; RSM; SAICA; SC-AOB; ZICA

³¹ APB; BHD; CAASB; CGA (staff); CMA; FEE; IDW

³² BHD; CAASB; CGA (staff); CMA

- It would lead to additional procedures almost always being performed, and that would impair achievement of the cost-benefit objective of reviews vs. audits; rather, the threshold should be set at a more appropriate (higher) level, such as through use of the term *likely*. This would have the further benefit of aligning the requirements of the ISRE that address the extent of additional procedures (see ¶57 of ED-2400).³⁴
28. Respondents offered the following specific views when commenting on use of the term “may” to describe the condition that triggers the requirement for additional procedures:
- The word “may” normally signals a very low probability threshold; however the practitioner is unlikely to enter into a belief [*that the financial statements may be materially misstated*] without substantial cause.³⁵
- While there is risk that “may” could be seen as setting the bar too low, the requirement for additional procedures is only triggered when a matter comes to the practitioner’s attention.³⁶

Performing Additional Procedures

29. Many respondents³⁷ agreed with the requirements of ED-2400 addressing the practitioner’s response when additional procedures are required to address a possible material misstatement in the financial statements.
30. However, many also disagreed.³⁸ The main reasons for disagreement are:
- The purpose for performing the additional procedures stated in ED-2400 ¶57 (a) and (b) goes beyond what is necessary to achieve the practitioner’s objective in the engagement of providing a conclusion based on limited assurance. In their view, this requirement, as stated, is more consistent with what is necessary when providing reasonable assurance and blurs the distinction between a review and an audit.³⁹
 - The requirements and guidance relating to additional procedures need to be more clearly specified,⁴⁰ as they are too broad to meaningfully assist practitioners in determining how to proceed on becoming aware of matters that point to possible material misstatements.⁴¹ For example, would the practitioner need to consider the aggregate effect of uncorrected errors and omissions that are individually not material – which could potentially mean greater work effort than the requirements would at first appear to imply?⁴²

³³ APB

³⁴ FEE; IDW

³⁵ ACCA

³⁶ PwC

³⁷ AICPA; CALCPA; CAASB; DTT; EvansMartin; EFAA; HKICPA; IBRACON; ICAS; ICPAS; ICAPAK; IDW; IFAC SMPC; JICPA; MIA-Malaysia; MNP; OCAQ; PwC; RSM; SC-AOB

³⁸ APB; BHD; CGA(staff); CMA; FSR; GT; ICAEW; IRBA; KPMG; NZICA; SAICA; ZICA

³⁹ ACCA; BHD; KPMG; NZICA; SAICA

⁴⁰ APB; GT; FSR; ZICA

⁴¹ CGA; CMA

⁴² AG-NZ

- There is likely to be confusion about the practitioner’s purpose in performing additional procedures; e.g. how and to what extent would performing other types of procedures differ from performing other inquiry and analytical procedures?⁴³

Task Force View and Preliminary Proposals

31. Based on the comments received, the Task Force does not believe the requirement of ED-2400 (¶57), that specifies the condition when additional procedures are required, is flawed (i.e., when the practitioner becomes aware of a matter that causes the practitioner to believe the financial statements *may* be materially misstated). The Task Force considers that the way the threshold is specified, i.e. on the practitioner “becoming aware” in the course of performing the review, appropriately conditions the circumstances when the practitioner would have to undertake additional procedures.
32. However, the Task Force does believe the following areas of the proposed ISRE need further clarification and explanation, in the context of the practitioner’s objectives for the engagement (see discussion at Issue I): Performing additional procedures—
 - If the results of inquiry and analytical procedures performed have not, in the practitioner’s professional judgment in the engagement circumstances, yielded sufficient appropriate evidence to reduce the engagement risk to an acceptably low level; and
 - To respond appropriately regarding possible material misstatements in the financial statements.
33. The Task Force proposes to consider:
 - (a) Amending the wording of the draft ISRE addressing additional procedures to better guide the practitioner’s approach in applying them to achieve the objectives for the engagement (including clarifying the purpose of undertaking additional procedures, and guiding practitioners on determining their nature and extent); and
 - (b) Developing additional application material to illustrate the approach and to provide examples of situations where additional procedures would be required.
34. The Task Force will develop proposed amendments to ED-2400 to address respondents’ comments in these areas for the IAASB’s consideration at the March 2012 IAASB meeting.
35. Further, the Task Force is mindful of the view expressed by the IAASB in the pre-exposure discussions of ED-3000, draft proposed ISAE 3410⁴⁴ (ED-3410) and ED-2400 that there is a need to coordinate further development of these proposed standards with an eye on the application of common principles for limited assurance engagements across these standards. (See Issue IV)

⁴³ GT

⁴⁴ Proposed ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*

Matter for IAASB Consideration

5. Does the IAASB agree with the Task Force’s view that the draft ISRE appropriately specifies the circumstances when the practitioner is required to perform additional procedures in a review engagement (i.e. the “trigger” point)?

IV. Common Principles for Limited Assurance Engagements—Aligning the Draft ISRE and Other IAASB Pronouncements and Importance of Communication to Promote Understanding

Issues

- (vi) The approach to performing a review of financial statements needs to be considered in light of common principles for limited assurance engagements, and also how the principles are applied in other IAASB pronouncements currently under development (i.e. ED-3000 and ED-3410).
- (vii) It is accepted that the application of common principles may vary in some respects between engagements undertaken for different subject matter/subject matter information. However, there should be a reason if the principles that are applied differ between IAASB pronouncements for reviews and pronouncements for other limited assurance engagements.

Task Force Views and Preliminary Proposals

- The intention is for the draft ISRE to adhere to the common principles for limited assurance engagements established in the Assurance Framework.
- Notwithstanding that, further amendments appear necessary to enhance the clarity and understandability of the standard so that it can be applied consistently by practitioners. For example: including a definition of limited assurance for a review of financial statements that is aligned with the descriptions and definitions of limited assurance contained in the Assurance Framework and ED-3000, respectively (see Issue I above).

Matters Raised by Respondents

36. A few respondents⁴⁵ commented broadly on the need for the assurance standards currently under development by the IAASB (ED-2400, ED-3000 and ED-3410), to align along common principles for limited assurance engagements.
37. A respondent⁴⁶ noted:

Given the conceptual uncertainty that exists about what limited assurance comprises it is important that IAASB adopts a consistent approach to its standards.

⁴⁵ ACCA; APB; AUASB; ICJCE

⁴⁶ APB

Another respondent⁴⁷ pointed out that there are inconsistencies between the IAASB pronouncements currently under development:

There are inconsistencies in the *articulation of the approach* to reviews between pronouncements - see proposed ISRE 2400, ISRE 2410, proposed ISAE 3000 and proposed ISAE 3410. Where such inconsistency is intended, proposed ISRE 2400 would benefit from an explanation of these inconsistencies, similar to that provided on page 6 of the Explanatory Memorandum to proposed ISRE 3410.

Task Force View

38. The Task Force agrees that a consistent approach should be used in developing IAASB Engagement Standards that deal with limited assurance engagements. Specifically, each such standard should adhere to the common principles established for limited assurance engagements in the Assurance Framework.
39. The Task Force notes its intention that the draft ISRE will adhere to those principles, notwithstanding that further amendments appear necessary to enhance the clarity and understandability of the standard so that it can be applied consistently by practitioners.
40. In relation to articulating how the common principles are *applied* in the different IAASB Engagement Standards (including those currently under development), the Task Force considers that the intended outcome should be to communicate the following matters as briefly and clearly as possible, in plain language, for each limited assurance engagement standard:
 - (i) The overall goal in each engagement is to reduce engagement risk to an acceptable level, and explain how that goal is expected to be achieved in each standard.
 - (ii) The manner in which that goal is achieved may differ in some respects between IAASB Engagement Standards addressing different types of limited assurance engagements. Notwithstanding that, the form of reporting used to communicate the outcome of each engagement should be consistent between the different types of limited assurance engagements.
41. There may also be benefit in providing explanations in an appropriate form of IAASB communication about how the common principles of limited assurance engagements are applied in different IAASB Engagement Standards. Any significant areas of difference that exist could be highlighted and explained (for example, with respect to the work effort applied), to promote practitioner and user understanding about how each limited assurance engagement achieves the overall goal of reducing engagement risk to an acceptable level.
42. The Task Force has not considered what form such explanations should take, including for the draft ISRE, and welcomes the IAASB's views on that. Presumably, the appropriate place where such explanations would be most helpful for practitioners would be, in the first instance, the Basis for Conclusions document that would be issued together with the final ISRE.

⁴⁷ AUASB

Matters for IAASB Consideration

6. Does the IAASB consider that there would be benefit in developing the explanatory materials described above to accompany release of each of the IAASB pronouncements currently under development (including ISRE 2400)? Is the Basis for Conclusions document issued together with a final standard the best place to communicate them?
7. Does the IAASB consider other types of communications are needed to help practitioners and users understand similarities and differences between types of limited assurance engagements? What form might they take for best effect?

V. ISRE 2400 and ISRE 2410—Clarification of Interrelationship

Issues

- (viii) ISRE 2410, issued in 2007, is not being revised or clarified. There do not seem to be significant difficulties with the implementation of ISRE 2410 based on responses to the consultation on the IAASB's Strategy and Work Program for 2012-2014. However, some responses to ED-2400 from jurisdictions where ISRE 2410 engagements are common have noted there could be confusion among practitioners and financial statement users, if the context for applying each of the ISREs is not clearly spelled out on release of a final standard for ISRE 2400.
- (ix) The question has been raised whether the level of assurance obtained by an auditor in an ISRE 2410 review is different from that obtained by a practitioner in an ISRE 2400 review. If the level of assurance is different, then why that is so should be explained. If no difference in level of assurance is intended, then it should be explained for practitioners why the requirements of the two standards differ in some very important respects such as the required work effort. These are, after all, both limited assurance engagements where today the same form of reporting by the practitioner is required.

Task Force Recommendations

- Assuming ISRE 2410 continues to be characterized as a review engagement, the following courses of action would be helpful:
 - (a) To clarify within ISRE 2400, the key points of distinction between ISRE 2400 and ISRE 2410.
 - (b) For the IAASB in its immediately upcoming or subsequent strategic plan, to evaluate the need to revise (or redraft only) ISRE 2410.

Matters Raised by Respondents

43. Several respondents⁴⁸ raised issues about the need to align ISRE 2400 when it is issued as a final standard, and ISRE 2410. One respondent⁴⁹ stated:

There is no clarity as to whether assurance received under proposed ISRE 2400 differs from that under ISRE 2410. Without explanation, users are likely to be confused particularly when reading very similar reports required by each standard; and consequently, why the proposed standard is necessary.

44. Others provided observations on perceptions about how the standards are perceived as relating to each another:

- It is likely that the level and shape of the limited assurance the practitioner obtains in a review varies between these two standards... A preliminary analysis indicates that there may be different user expectations of the minimum level of assurance reviewers should obtain.⁵⁰
- We believe that the level of assurance obtained in these two standards is different because of the fact that the auditor of the entity has a vastly different understanding of the entity than a practitioner who performs a review engagement without that knowledge. We suggest that a statement to this affect be included in the introduction to the proposed standard, so that this can be made clear to users of the standards.⁵¹

45. A respondent⁵² recommended that the standard should be clear on which ISRE is required to be used in various circumstances, as both used the criterion of whether the practitioner is the auditor of the entity's financial statements. Particular types of situations that need attention are: if a previously audited entity no longer requires an audit but would like a review (e.g. because the entity now falls below the established mandatory audit threshold); and use of ISRE 2400 in the context of group audits.

Task Force Recommendations

46. The Task Force believes a side-by-side comparison of ISRE 2410 and draft ISRE 2400 would be useful to:
- (a) Highlight any significant differences between the two ISREs beyond those intended to distinguish these two review engagements.
 - (b) Identify the key points of distinction between the two review engagements that could helpfully be included as clarifications in ISRE 2400 when it is finalized.
47. Further, it may help to also identify areas where revision of ISRE 2410 (or its redrafting only) may be of benefit to its clarity and understandability. Have a revised (or redrafted only) ISRE 2410 may also help to:
- (i) Emphasize any intended differences between draft ISRE 2400 and ISRE 2410; and/or

⁴⁸ ACCA; AUASB; CNCC; FAR; FEE; HKICPA; MIA-MICPA; KPMG; SC-AOB

⁴⁹ AUASB

⁵⁰ ACCA

⁵¹ DTT; IRBA

⁵² FEE

- (ii) Eliminate any misperceptions that there are significant differences between the two standards where none are intended.
48. The Task Force agrees with respondents who suggested that in the short-term, on release of ISRE 2400 as a final standard, there would need to be a clear communication either within ISRE 2400 and ISRE 2410, or in a separate communication, to explain how the two standards differ and why. The Task Force believes that such clarifications would help avoid potential confusion, as respondents have alluded to, about how the standards should be used, and how they differ, particularly in those jurisdictions where use of either or both the ISREs is currently common.

Matter for IAASB Consideration

8. The IAASB is asked for its views on the various Task Force's recommendations above.

VI. Other Matters – Implementation Support and Educational Materials for ISRE 2400

Issue

- (x) There needs to be a sound platform of implementation support for ISRE 2400, to promote and support the uptake of the revised standard on a global basis.

Task Force Recommendation

- Develop an implementation support plan for ISRE 2400, drawing from efforts and existing resources of national standard setters as far as possible.

Matters Raised by Respondents

49. Several respondents commented on the need to build understanding about limited assurance engagements, and about reviews in particular, to promote their acceptance and use on a global basis.⁵³ It was thought important that this understanding be developed for both practitioners and users.
50. Various concerns were raised by these respondents that, in their view, underline the need for development of materials, to support both educational and communication effort, to promote acceptance and uptake of reviews, and also the review standard when finalized. These respondents mentioned the following, in particular:
- There needs to be clear communication of the benefits and value contributed by a review; also the review needs to be clearly contrasted with the audit for users and practitioners to be able to appreciate the difference(s) between them; helping users of assurance services to be able to differentiate between the two services is key to making the review a meaningful service in the eyes of users.⁵⁴

⁵³ AG-NZ; EFAA; FEE; HCA; ICAEW; IFAC SMPC; MIA- Malta; RSM

⁵⁴ EFAA; ICAEW; IFAC SMPC; MIA-Malta; RSM

- There is concern that users will take unwarranted assurance from a review, notwithstanding the carefully-worded review report; it would be helpful for the proposed ISRE to describe how a review differs from an audit.⁵⁵
 - In jurisdictions where reviews are not commonly performed, or are introduced as a new assurance service, practitioners will need good educational materials available to build their understanding of the review service, and to be able to carry out reviews on a reasonably consistent basis in accordance with the intent of the ISRE.⁵⁶
 - From a risk-management perspective, if users and practitioners experiencing the standard for the first time do not understand the review engagement, or how the ISRE is intended to be applied, there is a risk that the international standard will be ignored, or that national standards will develop reflecting national preferences.
51. One respondent⁵⁷ emphasized also that communications with users will not be easy, as users do not appreciate the technical subtleties of reviews that practitioners are able to grasp that enable them to more readily understand the service and its outcomes. It will therefore be important to devote effort to develop materials aimed at building understanding about limited assurance engagements and that will help in educating users about how the review differs from other services.

Task Force Recommendation

52. In earlier pre-exposure discussions of this project the IAASB agreed that the communication aspect of this project is important. The Task Force proposed that the appropriate timing to advance these considerations would be closer to the time of project completion.
53. In the post-exposure phase of the project, the Task Force believes there is merit in considering an outline communications plan to identify the broad areas that are likely to need attention and effort.
54. Based on respondents views, on a preliminary basis the following are among the key areas that warrant emphasis in a communications planning exercise:
- Promoting understanding of the review engagement as a distinct type of assurance engagement and what value it contributes for a user of assurance services, as well as understanding of how the service differs from an audit.
 - Promoting the importance of adoption and implementation of the international engagement standard, to promote consistent performance of reviews on the basis of high-quality international standards, and on a global basis.
55. The Task Force realizes that such the need for such communications is proportionately greater among jurisdictions that have not previously utilized review services, or where their

⁵⁵ AG-NZ; ICAEW; KPMG

⁵⁶ AG-NZ; IFAC SMPC; NZICA

⁵⁷ ICAEW

performance is not common. In that case users and practitioners would benefit equally from the availability of materials that effectively communicate the nature of the review service. The Task Force believes that, as part of preparing for the issuance of ISRE 2400 as a final standard, consideration needs to be given to how such communications can be coordinated at national and international level, working together with national standard-setters (NSS) and the IFAC Small and Medium Practices Committee.

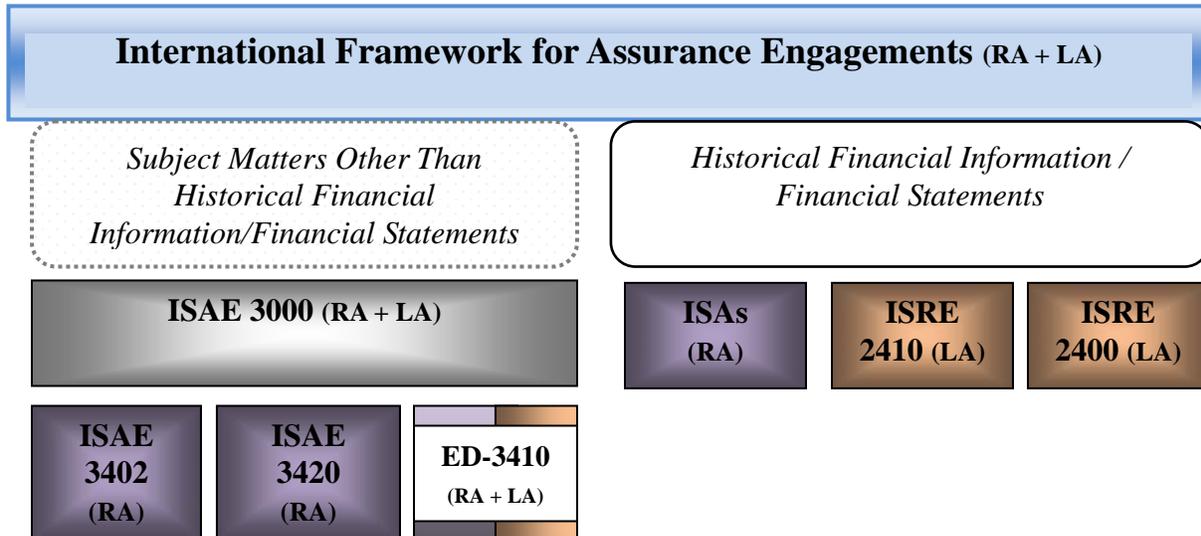
56. Practitioners who have not previously performed financial statement reviews would benefit from suitable education materials to extend their existing capabilities in the use of assurance skills and techniques for application to reviews. (See Issue II.) The Task Force views this as an area to bring to the attention of national standard setters on an early basis, as an area that will need particular attention for adoption and implementation of the final standard, when issued.

Matter for IAASB Consideration

- Q9. Does the IAASB agree with the Task Force's view that a communication plan, and a plan for co-ordination of implementation support, will be needed for ISRE 2400 when released as a final standard? Does the IAASB agree that working pro-actively with NSS and the IFAC SMPC will be a helpful strategy for promoting use of the standard at national level when it is issued?

Appendix 1

Overview of Assurance Engagements for Various Subject Matter / Subject Matter Information



Note:

(RA) or (LA) denotes a pronouncement that addresses a reasonable assurance engagements or a limited assurance engagement, respectively.

(RA + LA) denotes a pronouncement that addresses both reasonable and limited assurance engagements.

Appendix 2

IAASB Glossary Definitions, and Other Relevant Definitions and Descriptions of Limited Assurance Engagements

(Note: Extracts provided below from ED-2400; ED-3000 and Assurance Framework and ISR 2400 are provided as reference for this Issues Paper. The gray-shaded areas of text are for emphasis only.)

Engagement to Review Historical Financial Statements	
ED-2400	<p><i>The Engagement to Review Historical Financial Statements</i></p> <p>5. The review of historical financial statements is a limited assurance engagement, as described in the <i>International Framework for Assurance Engagements</i> (the Assurance Framework).</p> <p><i>Objectives</i></p> <p>14. The practitioner’s objectives in conducting a review of financial statements are:</p> <p>(a) To conclude, through performing primarily inquiry and analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained, whether anything has come to the practitioner’s attention that causes the practitioner to believe the financial statements are not prepared, in all material respects, in accordance with an applicable financial reporting framework; and</p> <p>(b) To report on the financial statements as a whole, and communicate as required by this ISRE.</p>

International Framework for Assurance Engagements	
Proposed International Framework for Assurance Engagements (Revised)⁵⁸	<p>Limited Assurance</p> <p><i>Reasonable Assurance Engagements and Limited Assurance Engagements</i></p> <p>18. The objective of In a limited assurance engagement the practitioner is areduction in assurance engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement. as the basis for a negative form of expression of the practitioner’s conclusion. The practitioner’s conclusion is expressed in a form that conveys that, 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. The set of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement but is planned to obtain a level of assurance that is, in the practitioner’s professional judgment, meaningful to the intended users. The limited assurance report communicates the limited nature of the assurance obtained.</p> <p><i>Nature, Timing and Extent of Procedures</i></p>

⁵⁸ The strikethrough text that appears in the right-hand column is shown as it appears in ED-3000.

	<p>78. The nature, timing and extent of procedures for gathering sufficient appropriate evidence in a limited assurance engagement are, however, deliberately limited relative to a reasonable assurance engagement. For some subject matters, there may be specific pronouncements to provide guidance on procedures for gathering sufficient appropriate evidence for a limited assurance engagement. For example, ISRE 2400, —Engagements to Review Financial Statements— A subject matter-specific Assurance Standard may establish that, for example, sufficient appropriate evidence for a particular type of limited assurance engagement reviews of financial statements is obtained primarily through analytical procedures and inquiries. In the absence of a relevant pronouncement subject matter-specific Assurance Standards for other types of limited assurance engagements, however, the procedures for gathering sufficient appropriate evidence may or may not primarily be analytical procedures and inquiries and will vary with the circumstances of the engagement, in particular, the underlying subject matter, and the information needs of the intended users and the engaging party, including relevant time and cost constraints. For both reasonable assurance and limited assurance engagements, 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. Determining the exact nature, timing and extent of procedures is a matter of professional judgment and will vary from one engagement to the next.</p> <p>79. A limited assurance engagement involves:</p> <p>(a) Based on an understanding of the underlying subject matter and other engagement circumstances, and consideration of risks of material misstatement, determining the nature, timing and extent of procedures to be performed to obtain a level of assurance that is meaningful to the intended users;</p> <p>(b) Performing those procedures; and</p> <p>(c) Designing and performing additional procedures, as appropriate, if the practitioner becomes aware of a matter that causes the practitioner to believe the subject matter information may be materially misstated.</p> <p><i>The Assurance Report</i></p> <p>85. In a limited assurance engagement, the practitioner’s expresses the conclusion is expressed in the negative a form that conveys that, 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, for example, “Based on our work described in this report, nothing has come to our attention that causes us to believe that internal control is not effective, in all material respects, based on XYZ criteria.” This form of expression conveys a level of “limited assurance” that is proportional to commensurate with the level of the practitioner’s evidence-gathering procedures given the characteristics of the underlying subject matter and other engagement circumstances described in the assurance report.</p>
<p>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</p>	<p>ED-3000</p> <p>8(a) (Definition) <i>Assurance engagement</i>—</p> <p>An engagement in which a practitioner aims <i>to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the outcome of the measurement or evaluation of an underlying subject matter against criteria.</i></p>

	<p>8(a)(i)(b) (Definition) <i>Limited assurance engagement</i>—</p> <p>An assurance engagement in which the practitioner <i>reduces engagement risk to a level that is acceptable in the circumstances of the engagement but where that risk is greater than for a reasonable assurance engagement</i>. The practitioner’s <i>conclusion is expressed in a form</i> that conveys that, 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. The <i>set of procedures performed</i> in a limited assurance engagement <i>is limited</i> compared with that necessary in a reasonable assurance engagement <i>but is planned to obtain a level of assurance that is, in the practitioner’s professional judgment, meaningful to the intended users</i>. The limited assurance report communicates the limited nature of the assurance obtained. (Ref: Para. A2)</p> <p><i>A Level of Assurance that is Meaningful to the Intended Users</i></p> <p>A2. The level of assurance the practitioner plans to obtain is not ordinarily susceptible to quantification, and whether it is meaningful to the intended users is a matter of professional judgment for the practitioner to determine in the circumstances of the engagement, including the practitioner’s perception of the information needs of intended users. In a limited assurance engagement, the practitioner performs a set of procedures that is limited compared with that necessary in a reasonable assurance engagement but is, nonetheless, planned to obtain a level of assurance that is meaningful to the intended users ...</p> <p><i>Factors that are relevant to consider may include</i>, for example:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The characteristics of the underlying subject matter and the applicable criteria, and whether there are any relevant subject matter-specific ISAEs. <input type="checkbox"/> Instructions or other indications from the engaging party about the nature of the assurance the engaging party is seeking the practitioner to obtain. For example, the terms of the engagement may stipulate particular procedures that the engaging party considers necessary or particular aspects of the subject matter information the engaging party would like the practitioner to focus procedures on. <input type="checkbox"/> Whether the practitioner is able to design procedures to address the material misstatements that are likely to arise in the subject matter information. <input type="checkbox"/> Whether the nature and extent of planned procedures is sufficient for the practitioner to conclude about those aspects of the subject matter information to which the procedures are directed. <input type="checkbox"/> Generally accepted practice, if it exists, with respect to assurance engagements for the particular subject matter information, or similar or related subject matter information.
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Greenhouse Gas Statements	
ED-3410	See Agenda Item #9 for this meeting.

Engagements to Review Interim Financial Statements	
ISRE 2410	<p><i>Objective of an Engagement to Review Interim Financial Information</i></p> <p>8. The objective of an engagement to review interim financial information is to enable the auditor <i>to express a conclusion</i> whether, on the basis of the review, anything has</p>

	<p>come to the auditor’s attention that causes the auditor to believe that the interim financial information is not prepared, in all material respects, in accordance with an applicable financial reporting framework. <i>The auditor makes inquiries, and performs analytical and other review procedures in order to reduce to a moderate level the risk of expressing an inappropriate conclusion when the interim financial information is materially misstated.</i></p> <p>9. A review, in contrast to an audit, is not designed to obtain reasonable assurance that the interim financial information is free from material misstatement. <i>A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.</i> A review may bring significant matters affecting the interim financial information to the auditor’s attention, but it does not provide all of the evidence that would be required in an audit.</p>
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Appendix 3

List of Respondents to ED-2400

#	Abbreviation	Respondent (Total = 49)
IFAC Boards and Committees (1)		
1.	IFAC SMPC	IFAC Small and Medium Practices Committee
IFAC Member Bodies and Other Professional Bodies (26)		
2.	AAP	The Joint Accounting Bodies – Australian Accounting Profession (CPA Australia, The Institute of Chartered Accountants in Australia, and the National Institute of Accountants)
3.	ACCA	Association of Chartered Certified Accountants
4.	CALCPA	California Society of Certified Public Accountants – Accounting Principles and Auditing Standards Committee
5.	CGA	Certified General Accountants Association of Canada
6.	CICPA	Chinese Institute of Certified Public Accountants
7.	CMA-Canada	The Society of Management Accountants of Canada
8.	CNDCEC	Consiglio Nazionale dei Dottori Commercialisti e Consiglio Nazionale degli Esperti Contabili
9.	EFAA	European Federation of Accountants and Auditors for SMEs
10.	FAR	Institute for the Accountancy Profession in Sweden
11.	FEE	Federation of European Accountants
12.	FSR	Foreningen af Statsautoriserede Revisorer
13.	HCA	Chamber of Hungarian Auditors
14.	IBRACON	Instituto dos Auditores Independentes do Brasil
15.	ICAEW	The Institute of Chartered Accountants in England and Wales
16.	ICAP	Institute of Chartered Accountants of Pakistan
17.	ICAS	The Institute of Chartered Accountants of Scotland
18.	ICJCE	Instituto de Censores Jurados de Cuentas de España
19.	ICPAS	Institute of Certified Public Accountants of Singapore
20.	ICPAK	Institute of Certified Public Accountants of Kenya
21.	JICPA	The Japanese Institute of Certified Public Accountants
22.	MIA MALTA	The Malta Institute of Accountants
23.	MIA-MICPA	Malaysian Institute of Accountants
24.	OCAQ	Ordre des comptables agréés du Québec
25.	SAICA	The South African Institute of Chartered Accountants

26.	ZICA	Zambia Institute of Chartered Accountants
National Standard Setters (10)		
27.	AICPA	American Institute of Certified Public Accountants
28.	APB	Auditing Practices Board (United Kingdom)
29.	AUASB	Australian Auditing and Assurance Standards Board
30.	CAASB	The Canadian Auditing and Assurance Standards Board
31.	CNCC-CSOEC	Compagnie Nationale des Commissaires aux Comptes + Conseil Supérieur de l'Ordre des Experts-Comptables
32.	HKICPA	Hong Kong Institute of Certified Public Accountants
33.	IDW	Institut der Wirtschaftsprüfer in Deutschland
34.	IRBA	Independent Regulatory Board for Auditors
35.	NBA	Nederlandse Beroepsorganisatie van Accountants
36.	NZICA	New Zealand Institute of Chartered Accountants - Professional Standards Board
Regulators and Oversight Authorities (1)		
37.	SC-AOB	Securities Commission Malaysia - Audit Oversight Board
Public Sector Audit Authorities (1)		
38.	AG-NZ	Office of the Auditor-General of New Zealand
Firms (9)		
39.	BDO	BDO International Limited
40.	BHD Group	BHD Group Limited
41.	DTT	Deloitte Touche Tohmatsu Ltd
42.	EvansMartin	EvansMartin LLP
43.	GT	Grant Thornton International Ltd
44.	KPMG	KPMG IFRG Ltd
45.	MNP	Meyers Norris Penny LLP
46.	PwC	PricewaterhouseCoopers LLP
47.	RSM	RSM International
Individuals and Others (2)		
48.	J. Maresca	Dr. Joseph S. Maresca, CPA, CISA
49.	SRA	SRA – Netherlands