

April 15, 2008

Mr. James Sylph  
Executive Director, Professional Standards  
International Federation of Accountants  
545 Fifth Avenue, 14th Floor  
New York, NY 10017

**Re: Exposure Draft: *Proposed Redrafted International Standard on Auditing (ISA) 210, “Agreeing the Terms of Audit Engagements” and Related Conforming Amendments to Other ISAs***

Dear Mr. Sylph:

The American Institute of Certified Public Accountants (AICPA) is pleased to have the opportunity to comment on the above referenced exposure draft.

We commend the International Auditing and Assurance Standards Board (IAASB) on the revisions to International Standard on Auditing (ISA) 210, *Agreeing the Terms of Audit Engagements*, and we support its issuance. We believe that the issue of management’s responsibilities has been appropriately dealt with in proposed ISA 210, in ISA 580 (Revised and Redrafted), *Written Representations*, and in the proposed conforming amendments to ISA 200 (Revised and Redrafted), *Overall Objective of the Independent Auditor, and the Conduct of an Audit in Accordance with International Standards on Auditing*, and ISA 700 (Revised and Redrafted), *The Independent Auditor’s Report on General Purpose Financial Statements*. As these ISAs interrelate, we urge the IAASB to exercise caution in making any further changes relating to management’s responsibilities.

**Responses to Questions for Respondents**

We believe that the objective for the Proposed ISA is appropriate, and that the proposed requirements are appropriate responses to that objective. We believe that the criteria identified by the IAASB for determining whether a requirement should be specified have been applied appropriately and consistently.

We agree with the proposed description of management’s responsibilities in the ISAs. We agree that the description of management’s responsibilities may use the wording of equivalent law or regulation. We agree with the proposed conforming amendment to proposed ISA 700 (Revised and Redrafted). We have no residual concerns that the way in which management’s responsibilities are dealt with may cause difficulties for non-issuers in the United States.

## Other Comments

### *Considerations Specific to Smaller Entities*

Paragraph A17 states that “[the example] may be particularly relevant in the case of smaller entities.” This implies, which we believe to be true, that the example may also be relevant in the case of other entities. If so, then the consideration is not specific to smaller entities. To eliminate this contradiction, we suggest revising the heading of the paragraph to “**Considerations Specific Relevant to Smaller Entities**”. This suggestion extends to all instances in the ISAs where this heading is used, as almost all considerations that apply to smaller entities may be applicable to larger entities as well.

### Editorial Comment

Paragraph A22 and Appendix 1 contain the phrase “because of the test nature and other inherent limitations of an audit”. To be consistent with wording used in [Proposed Revised and Redrafted] ISA 200, we suggest deleting the words “test nature and other.”

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Thank you for the opportunity to comment on this Exposure Draft. If you have any questions regarding the comments in this letter, please contact Sharon Walker at +1-212-596-6026, [swalker@aicpa.org](mailto:swalker@aicpa.org) or Ahava Goldman at +1-212-596-6056, [agoldman@aicpa.org](mailto:agoldman@aicpa.org).

Respectfully submitted,

/s/ Harold Monk  
Chair, AICPA Auditing Standards Board