Agenda Item 2B

Summary of Comment Letters on Exposure Draft of the Proposed SSAE, *Revisions to Statement on Standards for Attestation Engagements No. 18,* Attestation Standards: Clarification and Recodification

Comment Letter No.	Commenter
1	Chuck Strand
2	Commonwealth of Virginia – Auditor of Public Accounts
3	New Jersey Society of CPAs
4	Ostrow Reisin Berk & Abrams, Ltd
5	Pennsylvania Institute of CPAs
6	National Association of State Boards of Accountancy
7	Hantzmon Wiebel LLP
8	RSM US LLP
9	Pannell Kerr Forster of Texas, PC
10	New York State Society of CPAs
11	Texas Society of CPAs
12	Office of the Auditor General
13	A-LIGN

Comment Letter No.	Commenter
14	Beth A. Schneider
15	Illinois CPA Society
16	National State Auditors Association
17	Hunter College
18	Association of Local Government Auditors
19	Piercy Bowler Taylor & Kern
20	Office of the Washington State Auditor
21	CliftonLarsonAllen
22	Ernst & Young LLP
23	Deloitte
24	Michigan Association of CPAs
25	U.S. Government Accountability Office
26	PricewaterhouseCoopers LLP
27	PCPS Technical Issues Committee
28	Dixon Hughes Goodman LLP
29	BDO
30	Kearney & Company
31	SingerLewak Accountants & Consultants
32	Ohio Society of CPAs
33	North Carolina Association of CPAs
34	CohnReznick LLP
35	KPMG LLP
36	Grant Thornton LLP

Comment Letter No.	Commenter
37	Florida Institute of CPAs
38	Crowe LLP
39	Baker Tilly Virchow Krause LLP

Summary of Comment Letters on Exposure Draft of the Proposed SSAE, *Revisions to Statement on Standards for Attestation Engagements No. 18,* Attestation Standards: Clarification and Recodification

Summary of Responses to Specific Requests for Comment

Proposed Changes That Affect Only Review Engagements

Request for Comment 4
Please provide your views on the proposed changes to AT-C section 210 as discussed in the preceding section. Specifically, please indicate whether you believe the proposed changes are understandable and whether the application guidance is helpful in applying the new proposed requirements.

Are the illustrative reports clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement?

What are the potential benefits or implications of requiring the practitioner to include a description of the procedures performed in a limited assurance engagement?

Also, please provide your views regarding whether an adverse conclusion is appropriate in a limited assurance engagement.

Overall Scorecard of Responses

Change in terminology – from "review" to "limited assurance engagement"

Support	Notes	Oppose	Notes
2 – Commonwealth of Virginia – Auditor of Public Accounts	Preclude referencing engagement as a "review"	11 - Texas Society of CPAs	
3 – New Jersey Society of CPAs	Preclude referencing engagement as a "review"	18 - Association of Local Government Auditors	Could cause confusion.
4 - Ostrow Reisin Berk & Abrams, Ltd		19 - Piercy Bowler Taylor & Kern	
7 - Hantzmon Wiebel LLP		23 - Deloitte	Could cause confusion and inconsistent application in practice.
8 – RSM US LLP		26 - PricewaterhouseCoopers LLP	Do not believe that any changes are necessary to 210. The name change will create confusion.
10 – New York State Society of CPAs		32 - Ohio Society of CPAs	Concerned that the use of the term "assurance" will create marketplace confusion.
12 - Office of the Auditor General		35 – KPMG LLP	Potential confusion with other limited assurance services that retain the term "review."
14 - Beth A. Schneider	Unnecessary but no objection. Will require education.	36 - Grant Thornton LLP	
16 - National State Auditors Association	Preclude referencing engagement as a "review."	38 - Crowe LLP	
17 - Hunter College			
21 - CliftonLarsonAllen			
22 - Ernst & Young LLP	Do not support changes to 210 but do not object to name change as it would add clarity.		
25 - U.S. Government Accountability Office			
29 - BDO			
30 - Kearney & Company			
33 - North Carolina Association of CPAs			
34 - CohnReznick LLP			
37 - Florida Institute of CPAs			

Inclusion of description of procedures performed in the report

Support	Notes	Oppose	Notes
2 – Commonwealth of Virginia – Auditor of Public Accounts		11 - Texas Society of CPAs	Not a good idea for general use reports.
4 - Ostrow Reisin Berk & Abrams, Ltd	The paragraph describing the procedures performed should precede the paragraph on independence.	19 - Piercy Bowler Taylor & Kern	Blurs different levels of assurance services – resulting in potential confusion.
7 - Hantzmon Wiebel LLP		26 - PricewaterhouseCoopers LLP	Do not believe that any changes are necessary to 210. Would not require in all cases as it may imply a higher level of assurance.
8 – RSM US LLP			
10 – New York State Society of CPAs	The paragraph describing the procedures performed should precede the paragraph on independence.		
12 - Office of the Auditor General			
15 - Illinois CPA Society	Increases the reliability of the information.		
16 - National State Auditors Association	Potential for users to infer a higher level of assurance.		
17 - Hunter College			
21 - CliftonLarsonAllen			
22 - Ernst & Young LLP	Do not support changes to 210. But description of procedures may help users understand the nature and extent of evidence obtained.		
23 - Deloitte			
25 - U.S. Government Accountability Office			
27 - PCPS Technical Issues Committee			
29 - BDO			
30 - Kearney & Company			
31 - SingerLewak Accountants & Consultants			
33 - North Carolina Association of CPAs			
34 - CohnReznick LLP			
35 – KPMG LLP	Both may confuse users that reports without detail provide less assurance.		
36 - Grant Thornton LLP			
37 - Florida Institute of CPAs			
39 - Baker Tilly Virchow Krause LLP			

Ability to express an adverse conclusion

Support	Notes	Oppose	Notes
2 – Commonwealth of Virginia – Auditor of Public Accounts		7 - Hantzmon Wiebel LLP	The subject matter should not be made available.
3 – New Jersey Society of CPAs	However, concerned that users could question the sufficiency of the procedures.	11 - Texas Society of CPAs	
4 - Ostrow Reisin Berk & Abrams, Ltd	Is in the public interest as withdrawal will result in another practitioner issuing a report that is other than adverse.	22 - Ernst & Young LLP	Do not support changes to 210. Also assessing pervasiveness is not consistent with a limited assurance engagement. Also, AU-C section 930 does not permit an adverse conclusion.
8 – RSM US LLP		33 - North Carolina Association of CPAs	
10 – New York State Society of CPAs	Is in the public interest as withdrawal will result in another practitioner issuing a report that is other than adverse.	36 - Grant Thornton LLP	
12 - Office of the Auditor General			
14 - Beth A. Schneider	Report needs to be clear that there could be other material misstatements.		
15 - Illinois CPA Society	Need to retain ability to withdraw.		
16 - National State Auditors Association			
17 - Hunter College			
19 - Piercy Bowler Taylor & Kern			
21 - CliftonLarsonAllen	But only if the ARSC approves for SSARSs reviews.		
25 - U.S. Government Accountability Office			
26 - PricewaterhouseCoopers LLP	But does not believe that any changes are necessary to 210.		
27 - PCPS Technical Issues Committee			
29 - BDO			
30 - Kearney & Company			
31 - SingerLewak Accountants & Consultants			
32 - Ohio Society of CPAs			
34 - CohnReznick LLP	Helps limit dual-reporting issues for those reporting in accordance with SSAE and ISAE 3000.		
35 – KPMG LLP			
37 - Florida Institute of CPAs			
39 - Baker Tilly Virchow Krause LLP			

Commenter	Specific Response
2 – Commonwealth of Virginia – Auditor of Public Accounts	We do not oppose changing the term 'review engagement' to 'limited assurance engagement'. However, we are concerned by Section 105, paragraph .A9, which allows reference to the engagement as a review. We believe the Board should either embrace the new term or revert to the existing term. Referencing pre-existing terminology that is no longer applicable as an acceptable replacement may create confusion. If the AICPA choses to continue to allow this, then it should clarify in what circumstances a practitioner may use the term review. For example, can this term be used in the report instead of using the phrase "limited assurance engagement?" We believe clarifying the types of procedures a practitioner may perform appropriately provides the practitioner flexibility to apply judgment over how to obtain limited assurance. Based on the increase in judgment a practitioner may apply in designing procedures in the proposed standard, we agree that the limited assurance report should include a description of the work performed as a basis for the conclusion. We agree with allowing the practitioner to express an adverse conclusion rather than withdrawing from the engagement.
3 – New Jersey Society of CPAs	The Group agrees with the proposed change of the term from *review engagement* to l*imited assurance engagement* to differentiate engagements performed under AR-C section 90 and AU-C section 930 from those performed under the attestation standards. This distinction is consistent with the use of *examination engagement* versus *audit engagement*. However, in paragraph .A9 of section 105, we believe the first sentence "A limited assurance engagement performed in accordance with the attestation standards may be referred to as a "review" should be removed as it adds confusion to the concept of differentiating the engagement types. The Group also agrees with the proposal to clarify the types of procedures a practitioner may perform in a limited assurance engagement. However, we believe that the types of procedures required should be included in the Standard, not just in the application guidance. The application guidance in paragraph .A8 of section 105 clearly distinguishes that the procedures in a limited review engagement are less in extent than those in an examination engagement due to the lower level of assurance. However, the Group notes that the application guidance in paragraph .A27 of section 210 lists a number of procedures that can be performed without discussing the lower level of assurance to be obtained in a limited assurance engagement. This may lead to confusion or uncertainty about the nature and extent of procedures to be performed in a limited assurance engagement. The Group believes that the illustrative reports are clear and understandable with respect to the differences between a limited assurance

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	engagement and an examination engagement. However, as noted in our response to comment 1, we do not agree with the requirement to include an affirmative statement about the practitioners' independence and relevant ethical requirements. The Group agrees with the requirement for the practitioner to include a description of the procedures performed in a limited assurance engagement. Because the practitioner may use professional judgement in determining the nature and extent of procedures to be performed in order to obtain limited assurance, we believe that disclosure of the procedures performed by the practitioner will provide a basis for the user of the limited assurance engagement report to evaluate the results of the engagement. However, the Group is concerned that requiring the practitioner to disclose the procedures performed could lead users to question the sufficiency of the practitioners' procedures without a detailed understanding of the matter.
4 - Ostrow Reisin Berk & Abrams, Ltd	ORBA supports the change of terminology from "review engagement" to "limited assurance engagement". We recognize that this is the terminology used in ISAE 3000 (Revised) and wholeheartedly endorse the adoption of that terminology in the attestation standards. We believe the change in terminology will lead to greater clarity in differentiating between limited assurance engagements performed in accordance with SSARS, and those performed in accordance with the attestation standards. We view this proposed change to be consistent with and analogous to the terminology used to differentiate audit and examination engagements. We believe that the proposed changes to the requirements of AT-C section 210, *Limited Assurance Engagements*, and the related application material are clear and understandable. ORBA approves of the specification of the types of procedures that the practitioner may perform in order to obtain limited assurance regarding the subject matter and concur with the relocation of extant paragraph .17 to the application material. This paragraph was never a mandatory or a presumptively mandatory requirement, as evidenced by the use of the verb "may", and should not have been included in the requirements section of the extant standards. The procedures performed by the practitioner in a limited assurance engagement should be tailored to the nature of the subject matter and the amount of limited assurance evidence required for the practitioner to form his or her conclusion. Because the nature of the subject matter can vary widely, we believe that the procedures should have a degree of flexibility and recognize that analytical procedures cannot necessarily be applied to all types of subject matter. The addition of a description of the procedures performed in the limited assurance report will be beneficial to the user in understanding what the practitioner did to obtain limited assurance on the subject matter or assertion. However, we strongly suggest that the ASB look at the placement of this paragraph within the practitioner's report. We propose that the paragraph describing the procedures performed precede the paragraph on independence. The third paragraph in the limited assurance report describes the general nature of the procedures performed. The description of the specific procedures should follow immediately after that general

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	description. The inclusion of the independence paragraph between the two disrupts the flow of the report. Furthermore, we think that the inclusion of the procedures in the limited assurance report is analogous to the statement in a SSARS review that a review consists primarily of analytical procedures applied to management's financial data and inquiries of company management. As mentioned above, not all limited assurance engagements will lend themselves to the performance of analytical procedures. Therefore, the inclusion of a description of the procedures performed will be beneficial to the user in understanding what the practitioner did to obtain limited assurance regarding the subject matter or assertion and arrive at the conclusion expressed in the report. Finally, ORBA concurs with the ASB that the practitioner should be able to express an adverse conclusion when the practitioner concludes, after having obtained sufficient, appropriate limited assurance evidence, that the subject matter is materially and pervasively misstated. Under the extant standards, the practitioner would have to withdraw in such a situation. We recognize that there is a long tradition which precludes a practitioner from issuing an adverse review conclusion. However, we also recognize that in both SSARS reviews and limited assurance engagements circumstances may exist where material and pervasive misstatements exist that management is unable or unwilling to correct. The practitioner's withdrawal from the engagement in such circumstances does not serve the public interest. From a practical stand-point, if a practitioner withdraws because of the existence of a material and pervasive misstatement in the subject matter, the engaging party will shop the engagement around until an accountant is found who will issue an unmodified report or a report that is qualified only for the material misstatement. Certainly, this is not a view of our profession that we like to discuss openly, but it is the reality of our profession whether or not we like to admit it. Accordingly, ORBA is firm in its support of the inclusion of the adverse conclusion option in those circumstances where a material and pervasive misstatement in the subject matter exists. The availability of the option to issue an adverse opinion is in the best interest of the public.
7 - Hantzmon Wiebel LLP	We generally support the ASB's proposed changes that affect only review engagements. Our firm has not performed this type of engagement in the past. The illustrative reports are clear and understandable. The requirement of the practitioner to include a description of the procedures performed in a limited assurance engagement could be potentially helpful to the users of the limited assurance report in order to understand what procedures were performed. We do not support allowing the practitioner to issue an adverse conclusion when the practitioner, having obtained sufficient appropriate evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter. We believe the extant requirement to withdraw from the engagement is appropriate. We do not believe there is value in

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	issuing a report indicating that the subject matter is both materially and pervasively misstated. The misstated subject matter should not be issued to anyone.
8 – RSM US LLP	**Changing the term "review engagement" to "limited assurance engagement"** We believe the proposed changes to AT-C section 210, *Review Engagements*, are understandable and that the related application guidance is helpful in applying the new proposed requirements. Changing the term "review engagement" to "limited assurance engagement" more appropriately reflects the fact that the subject matter of such engagements may be nonfinancial. The clarification regarding the type of procedures a practitioner may perform in a limited assurance engagement appropriately correlates with the possibility of the subject matter being nonfinancial. **Reporting in limited assurance engagements** The illustrative reports are clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement. Requiring the practitioner to include a description of the procedures performed in a limited assurance engagement report is beneficial in that it aligns with the reporting requirements of ISAE 3000 (Revised), and alignment is important in today's global economy. Given that "limited" is a relative word, it also is beneficial to describe the work performed to assist intended users in understanding the basis for the practitioner's conclusion. Further, this is a necessary disclosure because procedures often performed in this type of engagement include inquiry and analytical procedures, which may not be possible in a limited assurance engagement related to qualitative information. We believe it is appropriate to allow the practitioner to express an adverse conclusion when the practitioner concludes that the subject matter is materially and pervasively misstated. This proposed change is understandable and the related application guidance is helpful.
10 – New York State Society of CPAs	The Society supports the change of terminology from "review engagement" to "limited assurance engagement" with respect to engagements to obtain limited assurance under the attestation standards. We recognize that this is the terminology used in ISAE 3000 (Revised) and do not object to the adoption of that terminology in the attestation standards. The change in terminology will lead to greater clarity in differentiating between engagements to obtain limited assurance performed in accordance with SSARS, and those performed in accordance with the attestation standards; and is analogous to the terminology used to differentiate audit engagements performed in accordance with generally accepted auditing standards and examination engagements performed in accordance with the attestation standards. The proposed changes to the requirements of AT-C 210, *Limited Assurance Engagements*, and the related application material are

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	clear and understandable. We approve of the specification of the types of procedures that the practitioner may perform in order to obtain limited assurance regarding the subject matter and concur with the relocation of extant paragraph .17 to the application material. This paragraph was never a mandatory or a presumptively mandatory requirement under the extant standards as evidenced by the use of the verb "may" and should not have been included in the requirements section of the extant standards. The procedures performed by the practitioner in a limited assurance engagement should be tailored to the nature of the subject matter or the assertion thereon and the amount of limited assurance evidence required for the practitioner to obtain limited assurance. Because the nature of the subject matter can vary, the procedures should also have a degree of flexibility and recognize that analytical procedures cannot necessarily be applied to all types of subject matter. Some of our members have raised the question of whether a firm's litigation risk may increase when "examination-type" procedures are applied in engagements performed at lower levels of service. They believe that as more procedures are performed (and disclosed in the practitioner's report), the different levels of service become blurred resulting in possible user confusion. Other members, however, have the view that litigation risk is primarily a function of the engagement and not of the procedures performed. They consider that it is the practitioner's responsibility to perform whatever procedures he or she deems necessary to obtain limited assurance. Accordingly, it is the practitioner's responsibility to reduce his or her litigation risk through appropriate risk management procedures including, but not limited to, obtaining an appropriately tailored engagement letter. We recognize that practice management issues are beyond the purview of the ASB's standard-setting process and are the responsibility of the practitioner. Rather than creating user confusion, we consider the addition of a description of the procedures performed by the practitioner in the conduct of the limited assurance engagement in the report beneficial to the user in understanding what the practitioner did to obtain limited assurance on the subject matter or assertion. However, we suggest that the placement of the paragraph describing the procedures performed precede the paragraph on independence. The third paragraph in the limited assurance report describes the general nature of the procedures performed, and we think the description of the specific procedures should follow immediately after that general paragraph. The inclusion of the independence paragraph between the two disrupts the flow of the report. Furthermore, the inclusion of the procedures in the limited assurance report is analogous to the statement in a SSARS review that a review consists primarily of analytical procedures applied to management's financial data and inquiries of company management. As discussed above, not all limited assurance engagements will lend themselves to the performance of analytical procedures. Therefore, the inclusion of a description of the procedures performed will be beneficial to the user in understanding what the practitioner did to arrive at the conclusion expressed in the report.

Commenter	Specific Response
	Finally, the Society concurs with the ASB that the practitioner should be able to express an adverse conclusion when the practitioner concludes, after having obtained sufficient appropriate limited assurance evidence, that the subject matter is materially and pervasively misstated. Under the extant standards, the practitioner would have to withdraw in such a situation. We recognize that there is a long tradition stretching back 40 years that precludes a practitioner from issuing an adverse review conclusion. However, we also recognize that in both SSARS reviews and limited assurance engagements, there might be circumstances where material and pervasive misstatements exist that management or the responsible party is unable or unwilling to correct. We do not believe that the practitioner's withdrawal from the engagement in such circumstances serves the public interest. From a practical standpoint, we recognize that if the practitioner withdraws because of the existence of a material and pervasive misstatement in the subject matter, the engaging party may very well "shop" the engagement around for an accountant who might issue an unmodified report or a report that is qualified only for the material misstatement. Certainly, this is not a view of our profession that we like to discuss, but it is a reality whether or not we wish to confront it. Accordingly, the Society supports the inclusion of the adverse conclusion option in those circumstances where a material and pervasive misstatement in the subject matter exists.
11 - Texas Society of CPAs	**Proposed Change:** Are the illustrative reports clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement? **Response:** We are concerned about the change from "review engagement" to "limited assurance engagement." While we understand the clarification in the proposed change in terminology, we think that the public and users of the reports may not see the difference between the two engagements. We were hard pressed to imagine what "new business opportunities" might arise from a name change, and can only support the change if there is a clear and concise practical reason. We would like to see additional information in support of this proposal. **Proposed Change:** What are the potential benefits or implications of requiring the practitioner to include a description of the procedures performed in a limited assurance engagement? **Response:** The main benefit to be obtained by including a description of procedures performed is that there would be a clear understanding of

Commenter	Specific Response
	what was done during the engagement. However, readers of the report may second guess the practitioner and question why other steps were not performed. This might lead to increased liability risk. We suggest that the description of procedures should only be included if there was a specific reason for the procedure and not a good idea for general use reports. **Proposed Change:** Please provide your views regarding whether an adverse conclusion is appropriate in a limited assurance engagement. **Response:** We could not think of a situation where an adverse opinion would be appropriate in a limited assurance engagement.
12 - Office of the Auditor General	We strongly support the change of the term "review engagement" to "limited assurance engagement" as it is necessary to differentiate this type of attestation engagement from a review engagement performed under AR-C section 90. We consider the clarification of the types of procedures a practitioner may perform in a limited assurance engagement as beneficial to users and are understandable. We consider the illustrative reports as clear and understandable and offer no suggested changes. We believe users will obtain a greater understanding of a limited assurance engagement when the report includes a description of the procedures performed. This should eliminate any "expectation gap" on the part of the party that engaged the practitioner regarding the nature of the services they expected to receive. We agree with the amendments to allow the practitioner to express an adverse conclusion, rather than withdrawing from the engagement, when material and pervasive misstatements are identified in the subject matter. Withdrawal from the engagement will not serve the users of the subject matter since there would be no report identifying the misstatements in the subject matter. Getting positive assurance regarding the nature of the misstatements is better than getting no report.
13 - A-LIGN	A-LIGN does not perform review or limited assurance engagements as defined by the AICPA, therefore, the firm declines to respond to Request for Comment 4.
14 - Beth A. Schneider	With respect to the four significant changes highlighted in the forepart of the exposure draft, I have the following comments: • ***Change in terminology from 'review' to 'limited assurance'***: I believe that this change is unnecessary; however, I have no objection to the change being made. It will require education of the marketplace and possibly interaction by the AICPA with those regulatory bodies that currently receive review attestation reports. • ***Clarification of the type of procedures that may be performed***: As the extant AT-C section 210 permitted procedures other than

Commenter	Specific Response
	inquiry and analytical procedures, the proposed changes merely clarify that and provide more helpful application guidance. • ***Inclusion of description of work performed in practitioner's report***: While understandable, please see concerns in response to the questions below. • ***Permissibility of adverse conclusion***: While I believe it is acceptable to express an adverse conclusion in a limited assurance engagement, the report language will be key to appropriately communicating that there could be other material misstatements that have not been detected by the limited assurance engagement. Accordingly, I believe that the guidance needs to be expanded to address that point and that the practitioner's report needs to clearly articulate that there could be other material misstatements that might not be detected in the limited assurance engagement. ***Are the illustrative reports clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement?*** No, the differences between a limited assurance engagement and an examination engagement are not sufficiently described in the illustrative reports. Perhaps a limited assurance report should include a description of the nature of procedures that would be performed in an examination but not in a limited assurance engagement to more clearly articulate the difference between a limited assurance and an examination engagement. Example 4 included statements in the bulleted list of procedures that the practitioner did not do, but there was no indication as to whether it was merely because a limited assurance engagement would not include such procedures. Further, there was no application guidance pertaining to including statements of procedures that were not performed; accordingly, application guidance needs to be added to address this. ***What are the potential benefits or implications of requiring the practitioner to include a description of the procedures performed in a limited assurance engagement?*** One of the implications of including a description of procedures performed in a limited assurance engagement is that intended users of the report will take more assurance from such description than they will from an examination report. This is the current case with sustainability reporting where users and responsible parties alike feel that the limited assurance report provides more useful information than a reasonable assurance report. Accordingly, this likely will cause intended users take more assurance than warranted by the engagement and inadvertently drive demand for limited assurance engagements over examinations. This then begs the question as to whether practitioner's reports on examination engagements should include more descriptive procedures than currently contemplated so that intended users understand that an examination engagement encompasses more procedures than a

Commenter	Specific Response
	limited assurance engagement (the proposed AT-C section 205 currently only provides application guidance on when the practitioner is *requested* to provide a description of procedures and results thereof (paragraph .A94)).
15 - Illinois CPA Society	4a. Are the illustrative reports clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement? *Response*: ***The Committee believes the illustrative reports are clear and understandable.*** 4b. What are the potential benefits or implications of requiring the practitioner to include a description of the procedures performed in a limited assurance engagement? Response: ***The benefits of requiring the practitioner to include a description of the procedures performed increase the reliability of the information.*** 4c. Also, please provide your views regarding whether an adverse conclusion is appropriate in a limited assurance engagement. *Response:* ***The Committee was unable to identify any arguments for why, in an engagement where the practitioner was engaged directly by the responsible party (i.e., management), the engaging party would want to receive a report with an adverse conclusion. The Committee noted potential exceptions to its views expressed above. For example, an exception may be a situation where: 1) the engaging party is different than the responsible party; or 2) the engaging party intends to use the limited assurance report to fulfill a reporting requirement imposed by a third party, laws or regulations. In such situations, a report containing an adverse conclusion could be appropriate.*** ***Additionally, should the standard be issued, the Committee believes that the standard should allow the option to withdraw from the engagement when material misstatements exist.***
16 - National State Auditors Association	We agree with the proposed changes to AT-C 210, and believe the changes are understandable and the application guidance is helpful in applying the proposed new requirement. However, we are concerned with the language in AT-C 105.A9 that allows a limited assurance engagement to be referred to as a *review*. We believe the Board should either embrace the new term or revert to the existing term. Referencing pre-existing terminology that is no longer applicable as an acceptable replacement will create confusion. If the AICPA choses to continue to allow this, then it should clarify in what circumstances a practitioner may use the term *review*. For example, can *review* be used in the report instead of *limited assurance engagement*?

Commenter	Specific Response
	We believe the illustrative reports are clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement. A potential benefit of including a description of the procedures performed in a limited assurance engagement is that users will obtain a clearer understanding of the work that was performed. However, a potential implication may be that the users may misinterpret the procedures and assume the procedures covered more and thus provide assurance beyond the actual procedures the practitioner performed. We agree with the revisions that allow the practitioner to express an adverse conclusion, rather than withdrawing from the engagement, when material and pervasive misstatements are identified in the subject matter. Withdrawal from the engagement will not serve the users of the subject matter since there would be no report identifying the misstatements in the subject matter. Getting positive assurance regarding the nature of the misstatements is better than getting no report.
17 - Hunter College	**(4A)** We agree to the name change of *review* to *limited assurance engagement.* This change in terminology will aid clients and external users to realize that a *limited assurance engagement* does not provide the same level of assurance as an audit examination. The new term will hopefully alleviate any confusion concerning attestation terminology. However, the name change of *review* to *limited assurance engagement* may result in inconsistencies between audit terminology. For instance, the profession does not call an examination by its level of assurance. An examination engagement is not called a "high level of assurance engagement." A suggestion would be to go into greater depth in Section 105 emphasizing the various levels of assurance between engagements. This explanatory information could be placed either under the definition section or as an objective of the section. We agree with the clarification of procedures a practitioner may perform in a limited assurance engagement. We understand that in some cases of a limited assurance engagement, inquiries and analytical procedures may not lead to sufficient evidence to release a conclusion. As a result, procedures normally performed in an audit examination may be used in a limited assurance engagement. To promote obtaining sufficient evidence to reach the most reliable conclusion, we agree with the proposition that limited assurance engagements are now clarified to indicate that inquiries and analytical procedures are not the only procedures that can be administered. We agree with the inclusion of a description of the work performed in the limited assurance engagement by the practitioner in the conclusion. We firmly believe this will allow external users to see the practitioner's rationale for the engagement conclusion. The users will know exactly what was tested in the engagement in order to obtain a better understanding of the entity being reviewed.

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	We agree to no longer forcing practitioners to withdraw from the engagement when material and pervasive misstatements are found, and instead allowing the practitioner to express an adverse conclusion. We believe this will benefit the interest of the public by informing users that the entity is not following proper financial reporting guidelines. **(4B)** After analyzing the illustrative reports, we believe the reports clearly state that the level of assurance obtained in a limited assurance engagements is substantially lower than the assurance that would have been obtained had an examination been performed. Due to the importance of the differences between limited assurance engagements and examinations, we suggest to **bold or** underline the sentence explaining the different levels of assurance provided in a limited assurance engagement and an examination. In the event of users simply "scanning" the report and not thoroughly reading the report, the additional emphasis concerning the lower level of assurance in a limited assurance engagement will be fully understandable and coherent. **(4C)** A benefit of requiring the practitioner to include a description of the procedures performed in a limited assurance engagement is that the users would know exactly what was tested and how it was tested. This would provide the users with a better understanding of the entity being analyzed. A potential implication of requiring the practitioner to include a description of the procedures performed in a limited assurance engagement concerns users thinking a limited assurance engagement provides enough evidence that the entity has no material misstatements or omissions in their financial statements. By listing the description of procedures performed, users may think the procedures are extremely thorough and complex. Some may believe that there would be no chance a non-identified misstatement could exist after the engagement is conducted In addition, it may not be practical and efficient for firms to include an exhaustive list of all analytical procedures performed. As one can see, there are many advantages and disadvantages in regards to requiring the practitioner to include a description of the procedures performed in a limited assurance engagement. **(4D)** Although the procedures conducted in a limited assurance engagement and not as thorough and complex as the procedures conducted in an examination, the former still should have enough attestation evidence to conclude that the entity's financial statements are adverse.
18 - Association of Local Government Auditors	We have one comment provided below. Overall, we have no other comment on the proposed changes that affect only review engagements. a. While we understand the intent for proposing that the term 'review engagement' be changed to 'limited assurance engagement,' to help differentiate review engagements performed under AR-C section 90 and AU-C section 930. We feel that the change will also likely create confusion for users and/or engaging parties that use or are familiar with various other standards when

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	those standards use the term 'review engagement.' For example, the term 'review engagement' is being using in other standards such as the U.S. Government Accountability Office's *Government Auditing Standards* 2018 revision as currently defined by the AICPA.
19 - Piercy Bowler Taylor & Kern	We understand that historically, the term, "limited assurance," has commonly been used to describe the conclusion that is derived from performing a review level service, but we are not persuaded there is any valid reason for, or benefit to be obtained from, a change in the name of the service or the resultant report from "review" to "limited assurance," as proposed in the first bullet on page 10 of the ED. In that regard, we see no need for greater clarity in differentiating between engagements to obtain limited assurance performed in accordance with SSARS, and those performed in accordance with attestation standards. In fact, we believe the use of the term, "limited assurance," in reference to a review conclusion is misleading in that, by contrast, it suggests inappropriately that a higher level must be unlimited assurance. We would prefer that the standards discontinue use of that term and consistently describe a review conclusion more precisely and consistently as "negative assurance" while describing an opinion consistently as "positive assurance." We are receptive to the ED's position allowing practitioners to enhance their reports by providing users with a better understanding of the nature and extent of the engagement work. But we object, however, to the inclusion of language in a review (or limited assurance) engagement report describing what might be characterized as "examination-type" procedures to a degree that might tend to cause users to place an undue level of reliance beyond what is inherently warranted in such an engagement. Our concerns are that differentiation of the attest service levels are necessarily based on the nature and extent of procedures involved and that as more procedures are performed (and disclosed), the different levels of service become blurred resulting in potential user confusion. For example, we believe that litigation risks present in the U.S. might increase when examination-type procedures are applied in services provided at lower levels (we reference the famous Court of Appeals of the State of New York case of 1972, 1136 Tenants' Corp. v. Max Rothenberg & Co.), particularly when fraud or other significant matters surface after reports are issued. We think that from a litigation risk perspective, practitioners should be encouraged by the standard to keep the focus of reviews (or "limited assurance" engagements) principally on inquiries and analytical procedures. We further believe that an adverse report should be warranted in a limited assurance attest engagement in circumstances involving a material exception similar to reporting a GAAP departure in a financial statement review. As is our experience with adverse opinions in audit reports, we think such a circumstance would likely be quite rare, *i.e.*, that practicality would generally preclude such an action since the client would probably ask the practitioner not to issue a report.

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21 - CliftonLarsonAllen	We are supportive of the changes in terminology from a review engagement to a limited assurance engagement because we believe it will better differentiate the services being provided under AR-C Section 90 and AU- C Section 930 with those performed under the attestation standards. In addition, we believe more explicitly describing the types of procedures that may be performed provides greater flexibility for the practitioner to determine the nature and extent of procedures that will be sufficient and practical to obtain limited assurance to support the practitioner's report on the subject matter. We believe requiring the practitioner to include more information regarding the procedures performed in a limited assurance engagement will provide better information to the users of the reports and assist them in better understanding the basis for conclusion so as not to draw incorrect conclusions regarding what procedures may or may not have been performed to reach those conclusions. It also provides better consistency with the reporting for agreed- upon procedures engagements which provide a similar level of detail on the procedures performed. The illustrative reports are clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement. We believe the additional language that was added — "As a consequence of the limited nature of the engagement, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had an examination been performed." — will assist with better clarification for the users of the reports. We are supportive of allowing an adverse conclusion when the practitioner, having obtained sufficient appropriate evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter. However, we believe the ability to report in this manner should be precluded until and only if the Accounting and Review Services Committee concludes it will be permitted for traditional review engagements. We believe the reporting for reviews should be the same under the Statements on Standards for Accounting and Review Services and the attestation standards.

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22 - Ernst & Young LLP	We don't believe any of the proposed changes are needed or warranted. However, if the ASB chooses to move forward with the amendments to AT-C 210, we provide the following for your consideration. We don't object to the ASB's proposal to change the term "review engagement" to "limited assurance engagement." We believe that this change can add additional clarity because the term "review" is used for a number of other engagement types (e.g., reviews of historical financial information under AR-C 90, *Review of Financial Statements*; reviews of interim financial information under AU-C 930, *Interim Financial Information*), which could create confusion about what is included in a review engagement. We believe that the example reports included in the proposal are understandable and clearly illustrate the differences between a limited assurance engagement and an examination engagement. We also believe that requiring a practitioner to include a description of the procedures performed in a limited assurance engagement may help users to better understand the nature and extent of the evidence obtained. However, we do not support the ASB's proposal to allow a practitioner to express an adverse conclusion in a limited assurance engagement. We do not believe that an adverse conclusion is appropriate in these types of engagements because assessing whether a qualification is pervasive isn't consistent with the scope of a limited assurance engagement. We also believe that permitting such conclusions under the attestation standards would create a significant difference from what's currently permitted under AU-C 930 (the auditing standards' equivalent of AT-C 210). We see no reason for creating this difference when both standards are intended to provide a similar level of assurance.
23 - Deloitte	D&T does not support the proposed amendments to AT-C 205 and AT-C 210 in the ED. The proposed SSAE is not clear in describing the objectives of the engagements being performed in accordance with its requirements (nonattest and attestation engagements), and it is unlikely that the practitioner will understand the differing work-effort implications of the services that are being performed. D&T believes the unintended consequences of certain of the revisions to existing examination and review engagements have not been appropriately addressed. As a result, we are concerned that the proposed SSAE does not provide the appropriate framework to enable the practitioner to consistently execute high-quality attestation engagements. We recommend reverting to extant AT-C 205 and AT-C 210 for examination and review engagements, respectively. D&T strongly recommends, and advocates for, the retention of the requirement to request a written assertion. We believe that the existing framework supports many examination and review engagements performed today, and D&T has not yet seen evidence for a demonstrated need to amend extant AT-C 205 or AT-C 210.

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	D&T also noted that in many instances the ASB reverted to using "appropriate party" in the context of requesting management representations in the ED; we do not concur with this approach. During the clarity project it was determined that there was confusion as to what written representations were applicable to the engaging party or the responsible party respectively. A specific decision was made by the prior Board to separately identify from whom the written representations should be obtained. D&T believes that by once again merging or blending the parties from whom written representations should be requested will cause inconsistency and confusion when applied in practice, and contradicts a conscious and deliberate decision recently made by a previous Board (and supported by the ASB's stakeholders). Were the Board to consider at a future date the possibility of developing a standard encompassing the "direct engagement" concept highlighted in paragraph 2 of ISAE 3000 (Revised), we would encourage the Board to proceed with a project to develop a separate standard under the attestation umbrella. This would allow the ASB the flexibility to be innovative, and to explore how to adapt the preexisting framework that supports engagements currently performed in accordance with AT-C 205 and AT-C 210. **Request for Comment 4. Proposed Changes That Affect Only Review Engagements** D&T does not agree with the change in terminology from "review engagement" to "limited assurance engagement," as we believe this will cause confusion and inconsistent application in practice, especially considering the amendment to the definition wording. We agree with the addition of the reporting elements in paragraphs 46h and 46l of AT-C 210 in the ED, and believe that it will provide clarity as to the work effort of the practitioner. However, D&T does not believe that proposed AT-C 210 in the ED has been sufficiently restructured such that the practitioner will no longer presume that inquiry and analytics are all that are required to be performed in order to gather sufficient limited assurance evidence to issue the attestation report. For example, there are no headings within the related performance requirements and guidance sections that outline the "other procedures" the practitioner should perform in certain circumstances. **Request for Comment 6. Prohibition on the Performance of a Limited Assurance Engagement on Certain Subject Matter** While under the proposed SSAE, a practitioner may perform procedures similar to those in an examination engagement, AT-C 210 in the ED is drafted in such a manner that the guidance continues to place undue emphasis on the use of inquiry and analytical procedures. For example, the first sentence of paragraph A24 of AT-C 210 in the ED states, "[i]n a limited assurance engagement procedures generally are limited to inquiries and analytical procedures." Further, the headings in AT-C 210 in the ED include

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	Analytical Procedures and *Inquiries,* yet there is no heading to address the "other procedures" that the practitioner may perform. In order to achieve consistency in the execution of these engagements, the proposed SSAE would need to include more detailed guidance than what is currently proposed in paragraph A26 of AT-C 210 in the ED, which states that "[i]n such instances, the practitioner may perform other procedures that the practitioner believes can provide a level of assurance equivalent to that which analytical procedures would have provided."
25 - U.S. Government Accountability Office	We support the AIPCA's efforts to more closely harmonize AT-C section 210 with the limited assurance provisions of International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits and Reviews of Historical Financial Information*, including changing the term review engagement to limited assurance engagement. In addition, we support the proposed revisions to AT-C section 210 to more explicitly describe the types of procedures a practitioner may perform in a limited assurance engagement. Finally, we support the proposed revisions to AT-C section 210 that would require the practitioner's report to include an informative summary of the work performed as a basis for the practitioner's conclusion. We support the decision to change the term *review* to *limited assurance.* In addition, we believe that the decision to clarify the types of procedures performed in a limited assurance engagement provides practitioner's with necessary additional clarity on the types of procedures that can be performed. We believe that the illustrative reports are clear and understandable regarding the differences between a limited assurance engagement and an examination. In addition, we believe that requiring the practitioner to describe the procedures performed in a limited assurance engagement will help inform the report's users. We support the decision to allow an adverse conclusion in a limited assurance engagement.
26 - PricewaterhouseCoopers LLP	Unfortunately, we do not believe the nature and extent of changes being proposed is appropriate. Many of the proposed changes constitute fundamental changes to the attestation standards. This would undermine the due process that was followed as part of the clarity project (including on areas where consensus was reached) and discount the significant efforts undertaken by practitioners to recently implement the relevant clarified standards (the "clarified AT-Cs"). Our preference would have been a more robust consideration of whether any changes to the standards is needed, informed by wider outreach. Based on our experience, we do not believe there are sufficient practice issues or market concerns that require opening AT-C section 105, 205, or 210 at this time. Additionally, promulgating such substantive revisions to the clarified AT-Cs so soon after they became effective is likely to cause

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	confusion in the marketplace, as users may not be able to easily identify how the services have changed as a result of the revisions. We are also concerned that introducing flexibility in how attestation engagements can be performed will undermine services that are well-understood and accepted in the market today, in particular those services that are addressed by AICPA interpretative publications (e.g., the SOC suite of services and AUPs in the financial services industry). We do not believe the ASB should move forward in finalizing the proposed SSAE as currently drafted. We believe the points raised in the various dissents to the proposed SSAE represent significant concerns that must be addressed before any revisions to the clarified AT-Cs can be finalized. Specifically: ● We do not believe the potential implications of the changes have been fully vetted by the ASB. For example, we are concerned with the extent of changes to eliminate reference to specific roles and use of the broad term "appropriate party." We believe it is important to be clear as to the roles and responsibilities of the responsible party, as the concept of a responsible party is important in the consideration of independence, and specific representations must be obtained from the responsible party. We believe the approach in the current standards - which sets out requirements for the engaging party and addresses circumstances in which the engaging party is different from the responsible party - is clear and should be retained. ● We are concerned with the partial convergence with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information.* While the ASB has proposed some incremental changes to move toward greater alignment, it is unclear why other changes were not made to the clarified AT-Cs. We believe the ASB appropriately considered whether to converge with ISAE 3000 (Revised) in finalizing the clarified AT-Cs and generally do not support making any further changes to converge at this time. ● We do not believe the proposed SSAE appropriately responds to the views expressed by those who commented on the ASB's separate but related *Selected Procedures* exposure draft. We believe additional outreach is necessary to understand the benefits and drawbacks of wider distribution of AUP reports. If the ASB believes it is necessary to continue pursuing changes to the clarified AT-Cs, a balance must be struck between allowing the profession to innovate, while recognizing the fundamental concepts that underpin attestation engagements – concepts that result in separate and distinct responsibilities for management and the practitioner that are designed to support the public interest. We encourage the ASB to take steps to set out an appropriate framework for practitioners to provide services that are relevant and

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	appropriate in the public interest, while maintaining key concepts in the clarified AT-Cs when there is consensus. We believe the ASB's intent was not to change fundamental concepts in the clarified AT-Cs, but rather to allow for flexibility to respond to market demands and address certain practical challenges that had been identified in relation to the clarified AT-Cs. Where flexibility is introduced, there needs to be sufficient guidance to enable practitioners to make informed judgments in light of the facts and circumstances of each engagement. On balance, we do not believe any changes to AT-C section 210 need to be made at this time. ***Changing from the term "review" to "limited assurance engagement"*** We do not believe it is necessary to change the terminology used in SSAE 18 to align with ISAE 3000 (Revised). In particular, we are concerned that changing reference within the clarified AT-Cs from a "review" to a "limited assurance engagement" without changing reference from an examination to a "reasonable assurance engagement" will create confusion in the marketplace for both users and practitioners. Changing the terminology would not likely benefit practitioners or users, as other than sustainability engagements, an attest review engagement is not common in the US. Additionally, the limited assurance service continues to be similar to a "review" within the ASB's Statements on Standards for Auditing Services and the Statements on Standards for Accounting and Review Services issued by the Accounting and Review Services Committee. ***Clarification of the types of procedures a practitioner may perform in a review engagement*** A review engagement may be performed on a wide range of subject matters. Being more direct about the potential need for other types of procedures beyond inquiry and analytics may help practitioners better focus on what would be appropriate to respond to risks of material misstatement. ***Describing the procedures in a review engagement report*** Paragraph 46(l) of proposed AT-C section 210 would require a description of the work performed as the basis for the practitioner's conclusion. We understand this change aligns with ISAE 3000 (Revised) to provide a basis for users of the report to understand the level of assurance that was obtained. Today's review report is not clear that review procedures generally are limited to inquiries and analytical procedures (as noted in paragraph A2 of AT-C section 210). Greater clarity in the report may help to give the practitioner's report additional context when compared with a report on an examination engagement.

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	We are concerned, however, there could be unintended consequences of providing a description of procedures in the practitioner's report. We agree in many cases the description may be as brief as a statement that "the procedures we performed were based on our professional judgment and consisted primarily of analytical procedures and inquiries." When procedures other than inquiry and analytics are described in more detail, users might assume a greater level of assurance than in a reasonable assurance engagement, where procedures are not described at all. Rather than require a description in all cases and potentially implicitly requiring the practitioner to make a judgment as to whether additional information may be relevant to the users' understanding, we believe guidance could be included that explains the practitioner may consider describing the work performed depending on the subject matter. The ASB could revisit this decision in the future by conducting outreach with users of review reports as well as practitioners, for example in the area of sustainability, to better understand the implications of including a description of procedures. If the ASB decides to move forward with requiring procedures to be described, it would be helpful to include guidance explaining the practitioner may also consider it necessary to restrict the report depending on the subject matter and the possibility that users may misinterpret the extent of the practitioner's work based on the procedures that have been described. ***Possibility of expressing an adverse conclusion in a review engagement*** Although we do not believe it is necessary to change AT-C section 210, we do not object to the changes to existing requirements to allow some flexibility based on the practitioner's judgment. However, we believe there are potentially circumstances in which the practitioner should withdraw rather than issue an adverse conclusion in an AT-C section 210 engagement. ***Reporting*** The additions to the reporting requirements to contrast review and examination engagements are helpful to differentiate the two. If the possibility of expressing an adverse conclusion in a review is retained, we would support including a illustrative example of this circumstance. However, we do not support including examples 4-6 in proposed AT-C section 210. Examples already exist in the *Attestation Engagements on Sustainability Information Guide (Including Greenhouse Gas Emissions Information).* In general, we find it confusing to have subject-matter specific examples in AT-C section 210 when there is already a guide that addresses the subject matter. We do not think the benefit of including updated examples in relation to sustainability outweighs the risk of having different examples related to the same type of engagement. We believe consensus on the need to update the sustainability example reports should be sought as part of the annual process to consider updates to the guide once the final standards have been issued.

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27 - PCPS Technical Issues Committee	*Specifically, please indicate whether you believe the proposed changes are understandable and whether the application guidance is helpful in applying the new proposed requirements.* TIC supports the proposed changes to AT-C section 210 as TIC believes the proposed changes are understandable and the application guidance will be helpful in applying the new proposed requirements. *Are the illustrative reports clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement?* Yes, TIC believes that the illustrative reports are clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement. *What are the potential benefits or implications of requiring the practitioner to include a description of the procedures performed in a limited assurance engagement?* TIC believes that requiring the practitioner to include a description of the procedures performed in a limited assurance engagement will be helpful to any potential users of the report so they can have an understanding of the work performed. TIC would suggest the Board consider adding some examples of instances where other than analytical procedures are performed on the subject matter. *Also, please provide your views regarding whether an adverse conclusion is appropriate in a limited assurance engagement.* TIC believes that expressing an adverse conclusion is appropriate when the practitioner has obtained sufficient evidence that the subject matter is materially misstated, similar to how this would be addressed in an audit engagement. TIC believes that "closing the loop" by issuing a report rather than withdrawing from the engagement would be in the public interest.
29 – BDO	We support the changes to the illustrative reports and believe that those reports are clear and understandable and appropriately differentiate a limited assurance engagement from an examination engagement. Furthermore, we support the change of the phrase 'review engagement' to 'limited assurance,' as we agree that this proposed revision more appropriately describes the nature and extent of work that may be necessary to obtain limited assurance on nonfinancial subject matter. We believe the proposed addition of a description of the procedures performed by the practitioner in the conduct of the limited assurance engagement in the report will benefit users in understanding what the practitioner did to obtain limited assurance on the subject matter or assertion, consistent with the reporting requirements of ISAE 3000 (Revised). We believe the transparency provided to users will enhance the value of the report to users and outweigh any potential unintended consequences. In particular, we believe the requirement in the proposed AT-C Section 210.46(h), which provides for the following paragraph to be included within the

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	attestation report, establishes the context within which the informative summary is to be considered. However, we believe that this paragraph is missing one descriptor that would be meaningful to a user of the report, this being the inclusion of the word 'substantially' in front of the word 'less' as noted below. By including the word 'substantially' the user of the report is alerted as to the limited nature of the procedures performed when contrasted with those performed for an examination engagement. *A statement that the procedures performed in a limited assurance engagement vary in nature and timing from, and are **substantially** less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the subject matter is in accordance with (or based on) the criteria, in all material respects, or the responsible party's assertion is fairly stated, in all material respects, in order to express an opinion. As a consequence of the limited nature of the engagement, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had an examination been performed.* We agree that the practitioner should be able to express an adverse conclusion when the practitioner concludes, after having obtained sufficient appropriate limited assurance evidence, that the subject matter is materially and pervasively misstated
30 - Kearney & Company	We agree with the proposed changes in the exposure draft.
31 - SingerLewak Accountants & Consultants	We support the proposed changes to AT-C section 210, as they are understandable and the application guidance will be helpful in applying the new proposed requirements. *Are the illustrative reports clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement?* Yes, the illustrative reports are clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement. *What are the potential benefits or implications of requiring the practitioner to include a description of the procedures performed in a limited assurance engagement?* Requiring the practitioner to include a description of the procedures performed in a limited assurance engagement will be helpful to any potential users of the report so they can understand the procedures performed by the practitioner.

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	Also, please provide your views regarding whether an adverse conclusion is appropriate in a limited assurance engagement. Expressing an adverse conclusion is appropriate when the practitioner has obtained sufficient evidence that the subject matter is materially misstated.
32 - Ohio Society of CPAs	*4. Please provide your views on the proposed changes to AT-C section 210 as discussed in the preceding section. Specifically, please indicate whether you believe the proposed changes are understandable and whether the application guidance is helpful in applying the new proposed requirements.* The committee had significant discussion about the potential for market confusion over replacing the term 'review' with 'limited assurance', due to the term 'assurance' being associated with an audit. The committee felt more consideration may be needed to align the terminology with current understanding in the marketplace of the term assurance. The proposed application guidance (AT-C 210.A8) permits the practitioner to recommend, develop or assist in developing the criteria for the engagement. This guidance may create an independence concern if the practitioner is both developing the criteria and testing the criteria through procedures selected by the practitioner, even when the engaging party agrees to the criteria. *Are the illustrative reports clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement?* Illustrative reports were sufficiently clear with respect to the differences between a limited assurance engagement and an examination engagement. *What are the potential benefits or implications of requiring the practitioner to include a description of the procedures performed in a limited assurance engagement?* The committee discussed concerns about including a description of the procedures performed in a limited assurance engagement, which diverges from the fact practitioners do not describe audit or examination procedures within those respective types of reports. Further, allowing procedures other than inquiry and analytics could further confuse the difference between a limited assurance, which is premised on those procedures, and an audit engagement for both the practitioner and the market.

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	Also, please provide your views regarding whether an adverse conclusion is appropriate in a limited assurance engagement. The committee believed allowing an adverse conclusion is appropriate.
33 - North Carolina Association of CPAs	**The proposed changes include a change from the term review engagement to limited assurance engagement.** The Committees support this change and agree that it would help to reduce confusion. Implementation of this change would not pose significant challenges and would not require any additional guidance. **The proposed changes would clarify the types of procedures a practitioner may perform in a limited assurance engagement and would also require a description of the work performed as a basis for the practitioner's conclusion.** A limited assurance engagement is essentially premised on the performance of inquiries and analytical procedures based on AT-C section 210. We understand that sometimes the subject matter does not lend itself to analytical procedures. However, we feel that it should be clearer that there are two paths. In one path, analytics were performed, in another the practitioner judgmentally selected alternative procedures because analytical procedures were not practical due to the nature of the subject matter. While the illustrative reports provide clear and understandable differences between a limited assurance engagement and an examination engagement, the Committees have concern about this proposed change as it is currently presented. The proposed changes do not provide sufficient guidance about when alternative procedures could be performed essentially leaving it up to the professional judgment of the practitioner to decide when to perform these procedures (i.e. only when analytical procedures are not practical). The concern of the committees is that the amount of ambiguity in this proposed standard opens the practitioner up to unnecessary scrutiny that would result from the practitioner performing alternative procedures for some limited assurance engagements, but not others with no clearly outlined scope of when additional procedures are deemed necessary. We believe it should be clear that alternative procedures are only acceptable when the subject matter does not lend itself to analytics. Further, the Committees believe there will be additional confusion on the part of third party users relying on limited assurance reports because there will be less consistency in the procedures performed to reach the same limited level of assurance provided. We believe that additional clarifications or even perhaps names could be used to differentiate. The Committees believe this would be difficult to implement without guidelines that outline a specific set of circumstances that would necessitate alternative procedures. If this proposal is approved, the Committees do agree that the limited assurance report be expanded to include a description of the work performed in order to assist the intended users in understanding the basis for the conclusion.

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	The proposed changes would allow the practitioner to express an adverse conclusion when the practitioner, having obtained sufficient appropriate evidence, concludes the misstatements, individually or in the aggregate, are both material and pervasive to the subject matter. The Committees have concerns about expressing an adverse conclusion on the subject matter when performing a limited assurance engagement. As noted above, the Committees believe that a limited assurance engagement should continue to consist of analytical procedures and inquiries unless more specific guidance is provided on the circumstances that would lead a practitioner to perform additional procedures. Based on that current stance, the Committees do not believe that analytical procedures alone provide sufficient evidence to provide an adverse conclusion when the practitioner cannot know with any reasonable certainty the impact that additional procedures would have on the conclusions reached. The current requirement that accountants either provide limited assurance or withdraw from the engagement, should they be unable to do so, prevents the accountants from providing adverse conclusions with insufficient evidence and creates the opportunity to step up the engagement from a review to an audit or examination in order to obtain the documentation necessary to opine on the financials.
34 - CohnReznick LLP	***Changes the term* review engagement *to* limited assurance engagement** We support the concept of changing the term "review" to "limited assurance engagement." Such provides the marketplace additional clarification as to the nature of the engagement. ***Clarifies the types of procedures a practitioner may perform in a limited assurance engagement*** We support the clarification and that it correctly focuses the practitioner on the concept of "limited assurance" instead of just "inquiries and analytics." ***Requires that the practitioner's limited assurance report include a description of the work performed as a basis for the practitioner's conclusion*** We support the requirement that the practitioner's limited assurance report include a description of the work performed and believe such a summary helps the intended users understand the basis for the practitioner's conclusion. The application guidance and related illustrative reports are sufficiently worded to be of assistance to practitioners in interpreting the requirement. ***Allows the practitioner to express an adverse conclusion when the practitioner, having obtained sufficient appropriate evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter*** We believe the concept of an adverse conclusion is appropriate in a limited assurance engagement. By being consistent with ISAE

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	3000, such would help to limit dual-reporting issues for those reporting under the SSAE and ISAE 3000, whereas under extant SSAEs, an adverse conclusion is not permitted. Fundamentally, the introduction of the adverse conclusion concept could help drive quality and assist users by possibly improving the users' level of understanding. **Are the illustrative reports clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement?** We believe the illustrative reports are clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement. **What are the potential benefits or implications of requiring the practitioner to include a description of the procedures performed in a limited assurance engagement?** We believe the most significant potential benefit of requiring such a description is clarifying to the user the essence of what the practitioner really did, and, implicitly, what was not done. The benefit of such, works to prevent an expectation gap in the marketplace. **Also, please provide your views regarding whether an adverse conclusion is appropriate in a limited assurance engagement.** We believe the concept of an adverse conclusion is appropriate in a limited assurance engagement. Fundamentally, the introduction of the adverse conclusion concept could help drive quality and assist users by possibly improving the users' level of understanding.
35 – KPMG LLP	*Changes in term review engagement to limited assurance engagement* The term review engagement is widely recognized and is used consistently in other professional standards such as PCAOB AS 4105, Reviews of *Interim Financial Information*, AICPA AU-C section 930, *Interim Financial Information*, and AICPA AR section 90, *Review of Financial Statements*, where the objective is to identify whether any material modifications should be made to the subject matter of the review. Without a corresponding change across all AICPA standards, users could be confused or presume that there is a difference between a limited assurance engagement and an AU-C interim review or an AR review, when they have similar objectives and levels of assurance. *Types of procedures that may be performed in a limited assurance engagement and the requirement for the inclusion of a description of the work performed as a basis for the conclusion in the report* Our feedback on providing the practitioner with flexibility to include description of the procedures performed is consistent with our feedback under Comment 2 and 3 above.

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	In addition, specific to illustrative report Example 4: *Practitioner's Limited Assurance Report on a Greenhouse Gas (GHG) Statement; Unmodified Conclusion*, we recommend the Board re-consider the words used to describe the procedures performed. In particular, the term review is included in AT-C 215.A22 as an example of a word to avoid for agreed-upon procedures engagements because it is not sufficiently precise. The term "undertook" is also vague. While recognizing that the illustrative report is not under AT-C section 215, we believe it is not appropriate to use words to describe limited assurance procedures that are inappropriate when no conclusion is expressed. *Allow the practitioner to express an adverse conclusion* We support the Proposed Standard allowing for adverse conclusions for reviews when, facts and circumstances support the practitioner's judgment, that such a conclusion is appropriate rather than the current requirement to withdraw from the engagement.
36 - Grant Thornton LLP	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 standardsetter. 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.

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	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.

Commenter	Specific Response
	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.
37 - Florida Institute of CPAs	The Committee agrees with the proposed naming convention change for this attestation engagement type from "*review*" to "*limited assurance engagement*" in order to help differentiate between the AR_C section 90, *Review Engagements*, AU-C section 930, *Interim Financial Statements*, and those performed under the attestation requirements. We also agree with the proposed standard requirement that the practitioner's limited assurance engagement include a description of the work performed as a basis for the practitioner's conclusion. Finally we agree with the proposed change allowing the practitioner to express an adverse conclusion when he/she concludes, based on sufficient appropriate evidence, that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter. The application guidance is helpful in applying the new proposed requirements. The Committee agrees with the illustrative reports formats that differentiate between a limited assurance engagement and the examination engagement. The description of the procedures in a limited engagement assurance report enhances the user's understanding of the basis for the practitioner's conclusion. However, we disagree on the use of specific bullet points as suggested in the guidance on page 171 of the exposure draft. We recommend the final guidance use a similar illustrative report format as in pages 168 and 170 by removing the specific paragraphs in bullet points. The Committee believes this particular illustration might lead to unnecessary liability risks for the practitioner, and the detailed procedures performed as the basis for the practitioner's conclusion should stay in the work papers.
38 - Crowe LLP	While we understand the efforts to revise the standard to more closely align with the international standards, we do not believe the term "review" should be replaced with the terminology of "limited assurance." If a review and a limited assurance engagement are essentially the same, we would recommend retaining the term "review." The term "review" is well known and understood in the assurance practice, therefore there does not appear to be a compelling reason to change the terminology. The proposed application guidance (AT-C 210.A8) provides that the engaging party may request that the practitioner recommend,

Commenter	Specific Response
	develop or assist in developing the criteria for the engagement. We believe that this guidance may create an independence concern if a practitioner is both developing the criteria and testing the criteria through procedures selected by the practitioner.
39 - Baker Tilly Virchow Krause LLP	*Are the illustrative reports clear and understandable with respect to the differences between a limited assurance engagement and an examination engagement?* Yes, we believe that 1) removing the word "scope" and replacing it with a statement that the nature and timing of procedures in a limited assurance engagement vary from, and are less in extent than, those in an examination engagement and 2) adding a statement that the level of assurance obtained in a limited assurance engagement is substantially less than in an examination clearly convey the differences between a limited assurance engagement and an examination engagement. *What are the potential benefits or implications of requiring the practitioner to include a description of the procedures performed in a limited assurance engagement?* The ASB may want to consider adding additional application guidance to address some practitioners' concerns that users may infer that more than limited assurance was obtained when practitioners perform and include in their description of the procedures performed, procedures that are typically only performed in examination engagements (e.g. confirmation with third parties). Without this additional guidance, some practitioners might be reluctant to include those procedures in their descriptions of the procedures performed. *Also, please provide your views regarding whether an adverse conclusion is appropriate in a limited assurance engagement.* The proposed changes to the attestation standards require obtaining sufficient appropriate evidence as a basis for concluding that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter. As practitioners are required to have an appropriate basis for expressing an adverse conclusion, we believe that permitting adverse conclusions in a limited assurance engagement is appropriate.

Proposed Changes That Affect Only Agreed-Upon Procedures Engagements

Request for Comment 5
Please provide your views on the proposed changes to AT-C section 215 as discussed in the preceding section. Please indicate whether you believe the proposed changes are understandable and whether the application guidance is helpful in applying the new proposed requirements. Further, please specifically consider the following questions in your response:

1. Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest?

2. Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215?

3. Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement?

Overall Scorecard of Responses

Appropriateness of expansion of ability to perform procedures and findings service

Support	Notes	Oppose	Notes
2 – Commonwealth of Virginia – Auditor of Public Accounts		3 – New Jersey Society of CPAs	If ASB believes that flexibility is warranted, should be a separate service (i.e., Selected Procedures)
4 - Ostrow Reisin Berk & Abrams, Ltd		5 - Pennsylvania Institute of CPAs	Can perform engagements in accordance with the consultation standards
6 - National Association of State Boards of Accountancy		13 - A-LIGN	
7 - Hantzmon Wiebel LLP	But believes it should be provided in separate Selected Procedures service.	14 - Beth A. Schneider	
8 – RSM US LLP	Pleased to see revisions to 215 rather than a new section.	15 - Illinois CPA Society	The proposed changes go beyond what is needed and may not be in the public interest.
9 - Pannell Kerr Forster of Texas, PC		19 - Piercy Bowler Taylor & Kern	Extant is “not broke.”
16 - National State Auditors Association	But believes it should be provided in separate Selected Procedures service.		
17 - Hunter College	Report should indicate when practitioner has performed initial measurement/evaluation.		
20 - Office of the Washington State Auditor	But believes it should be provided in separate Selected Procedures service.		
21 - CliftonLarsonAllen			
22 - Ernst & Young LLP	But differential reporting is needed when engagement is more like traditional AUP.		
23 – Deloitte	But not at the expense of eliminating the underlying principles and		

	requirements of extant 215.		
24 - Michigan Association of CPAs			
25 - U.S. Government Accountability Office			
26 - PricewaterhouseCoopers LLP	But not at the expense of eliminating the underlying principles and requirements of extant 215.		
27 - PCPS Technical Issues Committee			
28 - Dixon Hughes Goodman LLP	Needs to be grounded within the foundational framework of extant 215.		
29 – BDO	But should be a separate service.		
30 - Kearney & Company			
31 - SingerLewak Accountants & Consultants			
32 - Ohio Society of CPAs	Additional report language is needed to differentiate from traditional AUP.		
33 - North Carolina Association of CPAs	But believes it should be provided in separate Selected Procedures service.		
34 - CohnReznick LLP			
35 – KPMG LLP			
36 - Grant Thornton LLP			
37 - Florida Institute of CPAs			
38 - Crowe LLP	But there may be marketplace confusion with traditional AUP.		
39 - Baker Tilly Virchow Krause LLP			

Appropriately provides flexibility while retaining ability to perform "traditional" AUP

Support	Notes	Oppose	Notes
8 – RSM US LLP	Need for education.	3 – New Jersey Society of CPAs	Proposed revisions would weaken extant AUP engagements.
11 - Texas Society of CPAs		5 - Pennsylvania Institute of CPAs	
17 - Hunter College		7 - Hantzmon Wiebel LLP	
21 - CliftonLarsonAllen		13 - A-LIGN	
24 - Michigan Association of CPAs	Some concern that the proposed revisions are "too extensive."	14 - Beth A. Schneider	
27 - PCPS Technical Issues Committee	Would prefer if revised 215 included 2 paths – one for the ED approach and one for traditional AUP.	15 - Illinois CPA Society	
30 - Kearney & Company		16 - National State Auditors Association	Not clear if extant AUP is retained; and revised standard should not be referred to as an AUP.
31 - SingerLewak Accountants & Consultants		20 - Office of the Washington State Auditor	
32 - Ohio Society of CPAs		22 - Ernst & Young LLP	Should retain extant requirements when subject matter relates to a contract or regulation. AUP title should only be used when specified parties have acknowledged procedures.
34 - CohnReznick LLP	Would retain extant with the exception of removing restricted use requirement and requirement that specified parties agree to the sufficiency of procedures.	23 - Deloitte	
35 – KPMG LLP		26 - PricewaterhouseCoopers LLP	
39 - Baker Tilly Virchow Krause LLP		29 - BDO	
		33 - North Carolina Association of CPAs	The ED has "muddied" the requirements/guidance for traditional AUP.
		36 - Grant Thornton LLP	

Agreement with proposal to replace specified parties' responsibility for sufficiency of procedures with engaging party acknowledging appropriateness of procedures

Support	Notes	Oppose	Notes
2 – Commonwealth of Virginia – Auditor of Public Accounts	Name of engagement should be changed to "Selected Procedures" or similar.	3 – New Jersey Society of CPAs	
4 - Ostrow Reisin Berk & Abrams, Ltd		5 - Pennsylvania Institute of CPAs	
7 - Hantzmon Wiebel LLP	But believes it should be provided in separate Selected Procedures service.	11 - Texas Society of CPAs	Concerned about potential independence issues.
8 – RSM US LLP		14 - Beth A. Schneider	
13 - A-LIGN	There should be a preclusion on the practitioner accepting responsibility for the sufficiency of the procedures.	15 - Illinois CPA Society	The practitioner should be precluded from an AUP when neither the engaging party or specified parties take responsibility for the sufficiency of the procedures.
16 - National State Auditors Association	But only for selected procedures – AUP should retain current construct.	19 - Piercy Bowler Taylor & Kern	
22 - Ernst & Young LLP	There should be a preclusion on the practitioner accepting responsibility for the sufficiency of the procedures.	21 - CliftonLarsonAllen	Engaging party should acknowledge sufficiency of procedures
23 – Deloitte	But not at the expense of eliminating the underlying principles and requirements of extant 215.	29 – BDO	Engaging party or some other party should be required to take responsibility for the sufficiency of the procedures.
24 - Michigan Association of CPAs		32 - Ohio Society of CPAs	
25 - U.S. Government Accountability Office		33 - North Carolina Association of CPAs	Engaging party should be required to accept responsibility for the sufficiency of the procedures.
26 - PricewaterhouseCoopers LLP		37 - Florida Institute of CPAs	Disagree that no party take responsibility for the sufficiency of the procedures.
27 - PCPS Technical Issues Committee			
28 - Dixon Hughes Goodman LLP	Report needs to be clear with respect to who is responsible for sufficiency.		
30 - Kearney & Company			
31 - SingerLewak Accountants & Consultants			
34 - CohnReznick LLP			
35 – KPMG LLP			
39 - Baker Tilly Virchow Krause LLP			

Commenter	Specific Response
2 – Commonwealth of Virginia – Auditor of Public Accounts	We can theorize scenarios in which the changes to section 215 may be in the public interest, though we do not intend to utilize them in our office. The agreed-upon procedures (AUP) engagements we perform are to satisfy very specific needs of certain regulatory bodies, which do not require additional flexibility. We do not oppose the Board's efforts to provide flexibility to the practitioner in developing procedures or the resulting adjustment, whereby no party is required to accept responsibility for the sufficiency of the procedures. However, if these changes are accepted, we no longer believe it is appropriate to use the term 'Agreed-Upon Procedures' engagement, since the two parties are not agreeing to, and taking responsibility for, the sufficiency of the procedures. We suggest the Board consider a more representative term for the engagement, such as 'Selected Procedures.'
3 – New Jersey Society of CPAs	1. The Group does not believe that the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 is needed and in the public interest. We believe that the AUP standards that are currently in place are well understood and respected in the marketplace, and that the significant changes contemplated by this Exposure Draft will only serve to create confusion and misunderstanding of the practitioners' reports under these standards. If the Board believes that there is a demand for additional services, such services should be in addition to the AUP standards, leaving the AUP standards substantially intact as written and understood by stakeholders. 2. The Group does not believe that the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215. Instead, the proposed standards weaken the standards that currently exist under AT-C section 215 by allowing the practitioner to take responsibility for the sufficiency of the procedures, by not requiring written assertions for the responsible party, by not requiring a limitation on the use of the practitioners' report, and by moving some of the current requirements to application guidance. We view the significant proposed changes to AT-C section 215 as essentially the roll out of a new service offering within the AUP framework. We believe that the framework as it currently exists is functioning well and should remain intact. We believe that these changes will cause confusion for stakeholders in this arena and expose the practitioner to increased liability in performing these types of engagements. If the Board intends for accountants to be able to offer additional services, those should be promulgated through new standards, not as amendments to the AUP framework. 3. The Group does not agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's

Commenter	Specific Response
	acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement. The practitioners' role is to perform the procedures, not to take responsibility for the sufficiency of the procedures; that role is reserved for the responsible party. By eliminating the requirement for the responsible party to acknowledge the sufficiency of the procedures, the Board is exposing the practitioner to liability if, in fact, the procedures are not sufficient.
4 - Ostrow Reisin Berk & Abrams, Ltd	ORBA strongly supports the proposed changes to AT-C section 215, *Agreed-Upon Procedures Engagements* and believes these revisions will allow for greater flexibility in the performance of and the reporting on these engagements. Agreed-upon procedures engagements have, traditionally, been difficult for practitioners with less sophisticated clients. These clients often find it difficult to articulate the exact procedures they require the practitioner to perform, which, under the extant standards, requires a significant amount of revisions to the procedures as the engagement unfolds. Because each revision to the procedures necessitates an amended engagement letter, these engagements cannot be performed efficiently with less sophisticated clients. We, therefore, see the opportunity for the practitioner to develop the procedures and modify those procedures during the course of the engagement based on the practitioner's understanding of the purpose of the engagement as a significant, positive change to the attestation standards. ORBA also strongly supports the provisions in the proposed standard which would release the practitioner from the requirement to get each specified party to agree to the procedures to be performed and take responsibility for the sufficiency of the procedures. To provide a specific example, one of our partners recently cited an instance where a landlord wanted us to perform agreed-upon procedures on a schedule of common area maintenance expenses for a commercial rental property with the intent of providing that report to each of the tenants. When we informed the client that each tenant would have to agree, in advance, to the procedures and to the sufficiency of the procedures for their purpose in the engagement letter, the client balked. The time and effort to get each of 50 tenants to agree to the procedures and return a signed engagement letter was prohibitive to the efficient performance of the engagement. In addition, we were precluded from performing the engagement under the consulting services standards, because the landlord wanted the increased credibility an attest report provided. We, therefore, had no attest service to provide the client other than an audit of specified elements or accounts. The cost of the engagement increased significantly. Under the proposed revised standard, we could have performed the agreed-upon procedures engagement without first obtaining each tenant's agreement as to the sufficiency of the procedures to be performed. The ASB has requested comments to specific questions related to the proposed changes to AT-C Section 215, *Agreed-Upon Procedures Engagements*. Our responses to those specific questions follow. *Question 1: Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest.*

Commenter	Specific Response
	ORBA is of the strong opinion that the expansion of the extant agreed-upon procedures standard is not only necessary to the profession, as discussed above, but is also in the public interest. We have already discussed the strict limitations that the extant agreed-upon procedures rules place upon practitioners who service less sophisticated clients. In addition, practitioners are often in the best position to translate what the engaging party is attempting to achieve from the engagement given the prescribed procedures the practitioner is allowed to perform in an agreed-upon procedures engagement. Often, the engaging party understands what they want done, but do not have the knowledge necessary to translate that desire into specific, performable procedures. In addition, when the engaging party and the responsible party are not the same, the engaging party is, more often than not, incapable of describing accurate procedures, because the engaging party does not have full knowledge of what information may be available from the responsible party. Under the extant standards, a practitioner, upon discovering that one or more procedures agreed-upon by the engaging party may be impossible to perform, has only two options – go back to the engaging party for new procedures and a modified engagement letter or report that the procedures could not be performed. The proposed standard allows the practitioner to modify the procedures, to satisfy the same objective without having to get a formal approval from the engaging party that the revised procedure will still be sufficient for the engaging party's purpose. When there are specified parties beyond the engaging party, this situation compounds as each specified party also needs to accept any modification of the procedures. Each time the practitioner has to go back to the engaging party and other specified parties to change or modify procedures is not only inefficient to the practitioner, but also delays delivery of the report to the engaging party, which is not in the public interest. *Question 2: Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in the extant AT-C section 215.* ORBA commented above on the benefits of the increased flexibility provided to the practitioner in performing and reporting on an agreed-upon procedures engagement performed under the proposed revised standard. The proposed revised standard prescribes situations in which this increased flexibility is not available to the practitioner. We concur with those proscriptions. *Question 3: Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgement that the procedures performed are appropriate for the intended purpose of the engagement.*

Commenter	Specific Response
	ORBA agrees with the proposed revision as stated above. As previously discussed, there are situations when obtaining the agreement of all of the specified parties in the engagement is not feasible. We believe the practitioner should not be precluded from performing an agreed-upon procedures engagement merely because he or she in unable to obtain agreement from each specified party in advance of the engagement. By representing that the procedures are appropriate for their intended purpose, the engaging party is accepting the procedures performed by the practitioner. The primary difference is that they are accepting the procedures at the conclusion of the engagement rather than at the start of the engagement. This provides the practitioner the flexibility to modify the procedures, if necessary, based on information obtained during the engagement. There has been a lot of discussion among those of us who read exposure drafts regarding the change in language from "sufficiency of the procedures" to the procedures being "appropriate for their intended use". The use of the term "sufficient" with respect to the agreed-upon procedures is an error that has persisted within the attestation standards for many years. In our profession, when one speaks of sufficient, it is generally understood that one is referencing a quantitative measure. For example, AT-C 205.04 defines "sufficiency of evidence" as "the measure of the quantity of evidence." A similar definition of sufficiency is found in the audit standards and is being proposed for inclusion in AR-C section 90, *Review of Financial Statements.* On the other hand, the term "appropriate" is generally understood to reference a qualitative measure. Again, referring to AT-C 205.04, "appropriateness of evidence" is defined as "the measure of the quality of evidence, that is, its relevancy and reliability in providing support for the practitioner's opinion." And again, similar definitions are found in the audit standards and are being proposed for a SSARS review. Because agreed-upon procedures are, generally, dictated either by the engaging party or one of the specified parties in the case of an agreed-upon procedures engagement conducted in accordance with a regulatory requirement, the quantity of procedures performed is irrelevant. The practitioner will have to perform as many or as few procedures as the engaging party dictates. Rather, we believe, the quality of those procedures is what matters. Therefore, we fully support the change in terminology proposed in the exposure draft.
5 - Pennsylvania Institute of CPAs	The committee generally supports the Auditing Standards Board's efforts to provide CPAs with more guidance related to Attestation Engagements. The committee is supportive of updating attestation standards to provide further guidance in areas where limitations and challenges are present. The committee understands there are numerous engagements in which the procedures cannot be fully delineated at the outset of the engagement, but rather require CPAs to use their unique skill set to develop procedures during the course of the engagement to meet the client's objective. Current attest standards for such engagements can be cumbersome, as the CPA is often required to educate the client about management's responsibility for the sufficiency of the procedures and update the engagement letter as each additional procedure is added. While the committee appreciates the development of this Proposed Statement on Standards for Attestation Engagements –

Commenter	Specific Response
	Clarification and Recodification, the committee believes the proposal is lacking in many areas. The structure and syntax of the proposal is cumbersome and could confuse both the client and CPAs, resulting in potential misapplication or inconsistencies in application. The range of topics included appear dense, and could be broken up into future proposals for review. The proposal features many elements from previous efforts that were not approved. It is unclear why the ASB would move forward to expose new guidance that was previously pursued by another standard-setter; specifically, the Accounting and Review Services Committee Proposed Statement on Standards for Attestation Engagements – *Selected Procedures*. Our committee responded to the exposure document and had numerous concerns related to material areas, such as ethics and independence, no one assuming responsibility for the subject matter, potential for confusion by regulatory and oversight agencies which are relying on current agreed upon procedures reports, and the potential for manipulation, misuse, and practitioner liability resulting from removing the requirement to restrict the use of all agreed-upon procedures reports to the specified parties that assume responsibility for the sufficiency of the procedures, etc. These comments remain valid for this exposure document as well. The committee also finds the amount of dissent to the proposal to be concerning. Many valid points have been brought up that should be taken into consideration. Ultimately, the committee is unclear as to why this standard is needed since CPAs are permitted the flexibility that appears to be the genesis for this exposure document through the use of the consulting standards.
6 - National Association of State Boards of Accountancy	NASBA believes the proposed changes are in the public interest. As stated in NASBA's November 27, 2017 letter to the Accounting and Review Service Committee on the Selected Procedures proposal, NASBA continues to believe a party other than the practitioner has to be responsible for the appropriateness of the procedures. While we acknowledge there will be situations where the practitioner suggests procedures to be performed, the standard should be clear the appropriateness of the procedures remain the responsibility of the requesting, responsible and/or engaging party. NASBA believes the practitioner would not be independent if the practitioner is, or is perceived to be, responsible for the appropriateness of the procedures. Paragraph.A52 of proposed AT-C section 215 permits a practitioner to include an explicit statement in the report that the practitioner makes no representation regarding the appropriateness of the procedures either for the purpose for which the practitioner's report has been requested or for any other purpose. NASBA suggests that this statement be required in general use reports and when users of the report have not explicitly agreed to the procedures to be performed. For example, by modifying some of the language in AT-C 215.A69 Example 3, all AUP reports should include language such as the following (comparable to extant): "The appropriateness of the procedures is solely the responsibility of the users of this report, and we make no representation regarding the sufficiency of the

Commenter	Specific Response
	procedures either for the purpose for which the report has been requested or for any other purpose." NASBA believes the examples beginning at paragraph A69 of proposed AT-C section 215 should be improved by providing an example of the intended purpose in the sample reports.
7 - Hantzmon Wiebel LLP	Although the restrictive nature of the extant agreed-upon procedures (AUP) guidance may not fit the needs of all parties, it does fit the needs of some. We believe that certain clients will welcome a new type of selected procedures engagement, one that allows some flexibility as to who can develop the procedures and to whom the report can be distributed. However, due to the long history of AUP engagements and the expectations of clients and users, we are not in favor of altering the current AUP guidance; we prefer the ASB issue a separate selected procedures attestation standard. As stated above, we do not support changing the extant agreed-upon procedures guidance in any way. We do support expanding the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215. We prefer a separate section in the attestation standards. We support the idea of the engaging party acknowledging that the procedures performed are appropriate for the intended purpose of the engagement.
8 – RSM US LLP	We understand the proposed revisions to AT-C section 215, *Agreed-Upon Procedures*, were drafted to address situations in which practitioners are asked to perform agreed-upon procedures engagements but the client is unable to develop the procedures themselves or engage directly with each potential user of the report who is required to take responsibility for the sufficiency of the procedures, which is a common occurrence with smaller firm clients. We believe this type of engagement represents an opportunity for CPAs to provide services that currently are not available, given the existing guidance in AT-C section 215, which, among other requirements, dictates that all of the specified parties determine the procedures they believe to be appropriate to be applied by the practitioner. We are pleased to see these situations being addressed through proposed revisions to the existing guidance in AT-C section 215, rather than by adding a new standard. We believe the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that currently provided by AT-C section 215 is a positive change that is needed and is in the public interest. Also, permitting general use reports provides needed flexibility. The proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner

Commenter	Specific Response
	in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215. In providing this increased flexibility, we believe the AICPA should provide educational materials that practitioners can use to help the marketplace understand the changes after they are finalized. We agree with the proposal that no party would be required to take responsibility for the sufficiency of the procedures in such an engagement. Although the engaging party needs to acknowledge that the procedures performed are appropriate for the intended purpose of the engagement, the engaging party is not always knowledgeable about what is sufficient for the user. The user of the report needs to determine whether the procedures are sufficient for their purposes. If the practitioner tells the user which procedures were performed, the user of the report can then determine their sufficiency.
9 - Pannell Kerr Forster of Texas, PC	We have reviewed the exposure draft and support the concept of an assurance engagement that allows us to assist our clients in selecting procedures. We believe this new offering will allow us to better serve our clients as well as promote the public interest as it will be clear that the user is taking sufficiency of the procedures for their specific purposes. As a firm that serves the middle market, our clients are sophisticated in their knowledge of their operations and their ultimate goals and needs. However, some of our clients would struggle with a theoretical exercise to create the detail-level set of a procedures while still clearly having a strong understanding of the overall process and their high-level needs.
10 – New York State Society of CPAs	Some Society members are concerned that the proposed expansion of the scope of available services as outlined in the proposed revisions to the agreed-upon procedures section is motivated more by a desire for practitioner revenue enhancement than as a response to a genuine need within the marketplace. Conversely, members in smaller public accounting firms, with less sophisticated clients, understand that the proposed revisions to agreed-upon procedures are an overdue relief from endless revisions to procedures that were perhaps ill-conceived by the engaging party from the onset. We were not able to reach a consensus on the proposed changes that only affect agreed-upon procedures engagements. Accordingly, the Society offers no comment regarding proposed AT-C 215, *Agreed-Upon Procedures Engagements*.
11 - Texas Society of CPAs	**Proposed Change:** Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest?

Commenter	Specific Response
	Response: We think that the proposed changes provide the practitioner and client the option to agree on the procedures to be performed, and report accordingly. **Proposed Change:** Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215? **Response:** We think that the proposed expansion provides flexibility of reporting formats. **Proposed Change:** The proposed SSAE would no longer require the practitioner to restrict the use of all agreed-upon procedures reports to the specified parties that assume responsibility for the sufficiency of the procedures. **Response:** We believe that these types of reports should remain restricted. **Proposed Change:** Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement? **Response:** We do not support this proposed revision to AT-C section 215. The concern is that if no party is responsible for sufficiency, then you are auditing and accepting your own work, which could result in an independence issue. If no one is responsible for the sufficiency of the procedures, the courts will ultimately decide what is sufficient.
12 - Office of the Auditor General	We believe the proposed changes are understandable and that the application guidance is helpful in applying the standards. We agree that a procedures-and-findings format for an agreed upon procedures engagement is appropriate and will serve the public interest. Such a format should be understandable and provide utility to a wide array of users.

Commenter	Specific Response
	We consider the proposed revisions as providing sufficient flexibility to the practitioner to perform agreed-upon procedures. The proposal to use the word "appropriate" rather than "sufficient" led us to the dictionary to determine whether there is a discernable difference. We note "sufficient" as "enough to meet the needs of a situation" and "appropriate" as "especially suitable or compatible." While we are not aware of situations where the engaging party cannot assert to the sufficiency of the agreed-upon procedures, if the Board is aware of such situations we do not object to the use of the word "appropriate." However, we are concerned whether the use of the word "appropriate" may be interpreted differently by users such that it creates an "expectation gap" between the practitioner and the user.
13 - A-LIGN	a. While change provides incremental value, this proposal does not meet the needs of the potential users of the report based upon valid points A-LIGN shares within several of the dissenting opinions we were asked to consider. A-LIGN agrees with the dissenting opinion that the proposed amendments are too extensive and eliminate key elements that are still relevant to practitioners' considerations of whether and how to perform an AUP engagement. A-LIGN also agrees with the dissenting opinion that the proposed standard should establish an explicit framework to help practitioners consider how to design and perform an AUP engagement, including consideration of which parameters would be appropriate in various circumstances. It is important for the proposed standard to set out reporting requirements and illustrative examples that outline the nature of the engagement that was performed and the circumstances so that it is clear what guidance to follow. It is important that users of a report have transparency about responsibility for the sufficiency of procedures performed. b. While we do agree that the proposed changes add flexibility, we agree with the dissenting opinion that the proposed changes provide too much flexibility because the changes eliminate many of the requirements and application guidance that currently apply to AUP engagements. For example, the proposal would not prohibit the practitioner from taking responsibility for the sufficiency of procedures performed, which would require a conclusion that the procedures were appropriate for the user's purpose. Such a conclusion would be inconsistent with an engagement where no assurance is obtained. We agree with the existing standard that states an AUP report is a "findings based" and not an "opinion based" report.

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	c. We do agree with the concept that the engaging party would sign an acknowledgement that the procedures performed were appropriate for the purpose. That said, per response b., A-LIGN does not feel that there should be flexibility in this. The practitioner, should not be drawing an opinion of whether or not the procedures were sufficient in a findings based report.
14 - Beth A. Schneider	While I am very much in favor of developing new services for the CPA profession, I am concerned that some of the proposed changes to the attestation standards that have been proposed in "Revisions to Statement on Standards for Attestation Engagements No. 18, Attestation Standards: Clarification and Recodification" (the "exposure draft") are not in the public interest and may be detrimental to CPAs. In particular, I am very concerned with the changes to the agreed-upon procedures standard. Prior to retiring from public practice in 2017, I spent over 25 years working with various regulators, federal and state governmental agencies, and other organizations, including rating agencies, on the formulation of procedures that could be performed to satisfy their needs through agreed-upon procedures engagements. It was a very important process to arrive at procedures that were sufficient for the intended purpose and I am very concerned that the proposed revisions will not only not serve the public interest, but will run the risk of being more destructive to the profession's reputation than increasing flexibility for new forms of engagements. Practitioners often underestimate their legal exposure for agreed-upon procedures (AUP) engagements, which in many cases are typically performed for very nominal fees. Having scenarios where no parties are responsible for the sufficiency of the procedures will significantly increase that exposure. ***1. Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest?*** I am concerned that the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures is not in the public interest—someone has to be responsible for the sufficiency of the procedures for the intended purpose and, if not the engaging party or other party specifying the procedures, that responsibility would then have to fall on the practitioner. However, the proposed revisions fail to address that point. I am also concerned that the inclusion of a statement in the practitioner's report that the engaging party acknowledged that the procedures performed are appropriate for the intended purpose of the engagement will confuse users of the report as to what that actually means. Users may believe that 'appropriate for the intended purpose' does, in fact, consider sufficiency as suitability would encompass sufficiency. Stating the converse, procedures that are insufficient for the intended purpose should not be considered appropriate. While I can envision certain situations in which a "procedures-and-findings" format of a report would be appropriate, I believe that

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	the conditions would have to be very different for those types of engagements than what is being proposed in the exposure draft. For example, an engagement in which the practitioner performs procedures to search for underreporting in connection with a contractual agreement may only need to obtain the agreement of the engaging party rather than the responsible party; however, such report should be restricted to the parties to the agreement. ***2. Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215?*** I believe that the flexibility proposed will cause the extant form of agreed-upon procedures to disappear as engaging parties would move away from taking responsibility for the sufficiency of the procedures and lay that responsibility on the practitioner. I expect that even regulators would merely state what the objective is for procedures, leaving the practitioner to be responsible for determining the form and sufficiency of procedures to perform. However, the proposed changes fail to address the practitioner taking responsibility for the sufficiency of the procedures. ***3. Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement?*** No, I disagree with the premise that it is acceptable to perform an engagement where no party takes responsibility for the sufficiency of the procedures. As discussed in my opening concerns and responses to some of the preceding questions, if neither the engaging party, the responsible party, nor the third party driving the need for the engagement (e.g., a regulatory body) take responsibility for the sufficiency of the procedures than that leaves it up to the practitioner to be responsible for their sufficiency. It is inappropriate for no party to take responsibility for the sufficiency of the procedures, and attempts by the AICPA to go down that path is a very slippery slope for the professional reputation of CPAs. To further illustrate my point, take the report language in Example 3, in which an additional paragraph is included that discusses responsibility for the sufficiency of the procedures. In such example, it illustrates that the engaging party (and if applicable, other parties) is solely responsible for the sufficiency of the procedures and that the practitioner makes no representation regarding the sufficiency of the procedures. I question why all reports do not have some statement about responsibility for the sufficiency of the procedures. For example, if the ASB believes it is acceptable for no one to be responsible, then the report language should explicitly state that the practitioner has no responsibility for the

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	sufficiency of the procedures and makes no representation regarding the sufficiency of the procedures either for the purpose for which the report has been requested or for any other purpose. Such a statement, however, is likely to be perceived rather negatively by report users if they read that no one is taking responsibility. As the exposure draft is currently drafted, report users are likely to be confused why some agreed-upon procedures reports include that particular paragraph but not others, and may justifiably assume that the practitioner has assumed the responsibility for sufficiency of the procedures when such a statement is not included.
15 - Illinois CPA Society	1. Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest? Response: While there may be some need for added flexibility in AUP engagements (specifically in situations when the engaging party or specified parties lack willingness to develop specific procedures to be performed by practitioner), the volume of proposed changes goes beyond what is needed to achieve the objective and may not be in the public interest. The Committee is concerned with the following: i. Understandability of the proposed changes – Currently, AUP engagements are well understood and have a long-standing reputation for being a robust and cost-effective solution for the public. The volume of changes, need for professional judgment, and certain other nuances contained in the proposed standards may: 1) result in confusion among practitioners and between practitioners and users; 2) result in unnecessary costs; and 3) pose unforeseen additional risks (e.g., litigation risk). For example: 1. The proposed standard changes certain definitions related to the nature of the AUP engagements and roles of all parties involved, which as discussed above, may lead to confusion and misunderstandings. 2. The proposed standard introduces a new concept/expression of "appropriateness of procedures", which may be incorrectly interpreted by users and/or practitioners to represent a higher level of performance standard than "sufficient procedures", while at the same time, contemplates situations in which the practitioner may still refer to the "sufficiency of procedures" (see paragraphs A.15, A.49 and A.69 – Example 3). This may result in confusion among practitioners and inconsistencies in reporting, as the standard is not clear as to circumstances in which each expression should be used or avoided. 3. The proposed changes do not advance the standards towards reducing the risk that the engaging party and, if applicable,

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	other parties misunderstand or otherwise inappropriately use findings reported by practitioner. ii. Independence – the proposed standard does not address what changes would be needed to ET 1.297.020 to align both standards and to protect practitioners' reputation and appearance of independence. 2. Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215? Response: No, the proposed changes are excessive and go beyond what the Committee feels is necessary to obtain additional flexibility. The extent of the proposed changes would likely result in needless training costs and confusion among the practitioners and users of the AUP reports. The proposed changes should be curtailed and focus only on allowing the practitioner to develop or assist in developing procedures (provided that an engaging party and users agree to the sufficiency of the procedures). The Committee believes that except for changes discussed above and certain conforming changes eliminating the requirement for the practitioner to request a written assertion, little to no other changes to the extant AT-C section 215 are needed. 3. Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement? Response: No, as stated in our original response letter, the Committee is of the opinion that the practitioner should be precluded from taking on agreed upon procedures engagements where neither the engaging party nor the specified parties take responsibility for sufficiency of procedures.
16 - National State Auditors Association	*1. Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest?* We believe the expansion is needed and in the public interest. State audit organizations often encounter state laws focused on answering both general and specific questions. The purpose and objective may be known or clear, but the law does not specify which standards to follow or procedures to perform. Further, these laws do not typically require the subject entity establish or agree to the procedures to be performed. The information requests these laws pose can be related to financial transactions, financial balances,

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	compliance with laws or contracts whether financial-related or not, and internal control whether financial related or not. Using an approach prescribed in this proposed expansion would allow more flexibility to provide exactly what the legislators are requesting. However, we continue to believe the proposed expansion should be a stand-alone AT-C section. SSAE No. 18's separation of the requirements for examinations, reviews, and agreed-upon procedures engagements was a significant improvement of clarifying the attestation standards, making it easier for a practitioner to know what requirements apply to the specific engagement the practitioner is performing. The proposed changes eliminate that clarity for agreed-upon procedures engagements. Further, it is misleading to call the proposed expansion agreed-upon procedures engagements when no party agreed to the sufficiency of the procedures the practitioner performed. *2. Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215?* The proposed revisions do provide more flexibility. However, in its current form it is not clear if it retains important considerations and requirements relating to the practitioner's ability to perform an agreed upon procedures engagement as contemplated in extant AT-C section 215. The ability to develop the procedures to be performed and not require the engaging party to assume responsibility for the sufficiency of the procedures, fundamentally changes the nature of an agreed-upon procedures engagement, and therefore we no longer believe it is appropriate to use the term 'Agreed-Upon Procedures' engagement, since the two parties are not agreeing to, and taking responsibility for, the sufficiency of the procedures. *3. Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement?* As noted above, we do not believe the proposed expansion should be incorporated into AT-C section 215. Accordingly, engagements under AT-C section 215 should continue to require the engaging party to agree to the procedures the practitioner is to perform. However, for the proposed expanded service, we agree with the proposal that no party would be required to accept responsibility for the procedures sufficiency and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the engagement's intended purpose.

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17 - Hunter College	**(5A)**We concur that **some** of the proposed expansions of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 is needed and in public interest. For example, now that a practitioner's responsibilities may include recommending, developing, or assisting the procedures performed, the time efficiency as well as the quality of the engagement shall improve significantly due to the fact that all parties having expertise can participate in selecting appropriate procedures. However, we believe that some of the proposed expansions may have to be documented in the practitioner's report for consistency and complete disclosure. For instance, if a practitioner is also "engaged, as a separate service, to assist the responsible party in **measuring or evaluating the subject matter against the criteria**" (AT-C 215 .A8), although the "responsible party is required to accept responsibility for the subject matter in accordance with the criteria" (AT-C 215 .A9), this should be specified in the practitioner's report. An additional provision may be required in the reporting requirements section of the AT-C 215 on how to disclose in the practitioner's report additional services that the practitioner is asked to perform under the terms of the same engagement. The proposed changes to the findings reporting are understandable and application guidance is helpful in applying the new proposed requirements. **(5B)** We agree that the proposed revisions to AT-C section 215 do provide increased flexibility to the practitioner in performing and reporting on agreed-upon procedures. Suggested elimination of Use Restriction associated with responsibility for the sufficiency of the procedures and clarification on Alerts requirements for the restricted use of the practitioner's report offers more flexibility to the practitioners and users yet retains strict parameters for the practitioners to follow should they need to include an alert for restricted use in their report on an agreed-upon procedures engagement. **(5C)** The proposed revision to AT-C section 215 is most definitely offering more flexibility to the engaging parties, practitioners and any third parties of the agreed-upon engagement by allowing them to design procedures (which can be prescribed by law, regulation, or contract) appropriate for the intended purposes of such engagement without requiring any party to **explicitly** acknowledge sufficiency of developed procedures. This amendment to the section should promote cost benefits as well as efficiency of the future agreed-upon engagements in the short run if the change is accepted. However, due to the fact that engaging parties and the other parties of agreed-upon engagement **assume** the risk that such procedures might be insufficient (AT-C 215 .03) for the purposes of the engagement and there is not written acknowledgement pertaining to whose obligation it is, the number of litigations might increase if the change is excepted.
18 - Association of Local Government	We have no comment on the proposed changes that affect only agreed-upon procedures engagements. We also have no comment as

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Auditors	to the understandability and helpfulness of the guidance regarding the changes that affect only agreed-upon procedures engagements.
19 - Piercy Bowler Taylor & Kern	We view the proposed expansion of the scope of available services embedded in the proposed revisions to AT-C section 215 to be motivated largely by a desire for practitioner revenue enhancement rather than to serve any legitimate and discernable market demand or public interest, which is inconsistent with and unsupported by our body of experience and observations. Perhaps this belief in "market demand" would better be characterized as a belief in the popular expression that "if we build it, they will come." We are particularly apprehensive that the so-called "flexibility" sought and to be afforded by these changes that would result from alleviating the protective safeguards and constraints on the performance of agreed-upon procedures engagements that are embedded in the extant standard (*i.e.*, the requirements (1) to obtain user acceptance of responsibility for the adequacy of the procedures for their purposes, (2) to obtain a written assertion from the responsible party, and (3) to place a restriction on distribution of the report to such users) may likely lead to a proliferation of requests for CPA attestations to unsupported or virtually unsupportable marketing claims of clients that would be dangerously cited or distributed for public reliance and be misleading to users in many ways. We support the view of some commentators to the earlier ARSC proposal who have suggested that the extant standards for consulting engagements would easily meet the objectives of the proposed selected procedures engagement. If a CPA's service and related report is not intended to lend credibility to an assertion of a responsible party (other than the practitioner), the engagement is not, and should not be characterized as, an attest service but rather should be conducted under the extant consulting standards. To those who would counter that the consulting standards are not sufficiently robust to assure the desired level of professional quality, we would respond by recommending that those standards be strengthened rather than adopting the current Proposal. A summary of additional comments not mentioned above that were made by our Firm in response to the earlier ARSC proposal in our November 31, 2017, letter that continue to apply to the current Proposal follows: • Inclusion of services such as these among the assortment of attest products available from CPAs "will serve to diminish the overall image of CPAs and value assigned by society to their work in general," • The Proposal is "conspicuously devoid of any persuasive language to support the explicit assertion that there is either a need or demand for such an expansion of a practitioner's available work product, or that any report consistent with the Proposal would in any meaningful way serve a public interest, • Having the engaging party merely acknowledge its awareness of the selected procedures, without accepting responsibility, would be "meaningless and, therefore, of no value" and that "articulating the absence of such responsibility: and "objectionable to both

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	the engaging party and the users of the CPA's report." **Dissenting Views of Board Members:** We fully support views expressed by four of the five dissenting Board members (*i.e*., Brodish, Burzenski, Cascio, and Kassman) principally in relation to proposed changes in AT-C section 215, as set forth on pages 16–21 of the ED and summarized in the following bulleted paragraphs: • **Mr. Brodish:** (1) "the proposed changes to AT-C section 215, *Agreed-Upon Procedures Engagement*s, go beyond what is necessary to alleviate the practical challenges and could cause confusion among practitioners and users of AUP report" and (2) "the proposed amendments are too extensive and eliminate a number of important elements that are still relevant to practitioners' considerations of whether and how to undertake an AUP engagement," • **Ms. Burzenski:** (1) "the changes proposed no longer explicitly support the long-standing principles underlying attestation engagements, which have been the basis for attestation engagements for many years and are widely known and understood by users," (2) "proposed changes to AT-C section 215 result in a weakening of the principles that underlie a frequently used and well-known engagement, to the detriment of all," and (3) "the types of services being envisioned by the proposed standard and the independence required of the practitioner necessary to perform such … may pose threats to the appearance of independence," • **Mr. Cascio:** (1) "the Task Force has not presented compelling reasons to support the proposed changes at this time," (2) "direct engagements and the removal of certain required written representations from the responsible party potentially increases the attestation risk for practitioners. and (3) "questions raised … about independence considerations related to direct engagements, are matters that should have been more thoroughly vetted prior to approving the proposed amendments for exposure," and • **Ms. Kassman:** (1) "the extent of changes to eliminate reference to specific roles, including changes to requirements such as obtaining representations from the responsible party, have diluted the concept of a responsible party." and (2) "for the responsible party to not provide a written representation … fundamentally seems to contradict the importance of identifying a "responsible party," even more so as it is a fundamental principle of independence." Although we have appended in the attachment on the following pages our responses to the Board's specific requests for comment contained in the ED, we are not commenting on understandability or on the proposed implementation guidance since, in our view, the basic concepts supporting the proposed revisions are almost wholly unsatisfactory. Accordingly, we have omitted such questions from the quoted requests for comment below.

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	1. We refer readers to our view that is set forth in considerable detail among our principal concerns in the main body of this letter that very few, if any, changes to AT-C 215 are needed at this time. 2. We do not see any need for additional flexibility beyond that afforded under extant standards. 3. We support retaining the status quo in which the procedures applied in agreed-upon procedures engagements are selected or approved by specified parties and performed by the practitioner. The engaging party's lack of qualifying experience to select appropriate procedures is not an obstacle as the practitioner is not precluded from recommending suitable procedures for approval and acceptance of responsibility by the engaging party and the procedures intended users. The proposed revisions would expand the range of parties able to select the procedures and determine their nature, timing and extent to include the practitioner, the engaging party or any other party. We see no reason to support this expansion. The revised standard would allow for general use reports where only restricted reports are currently acceptable. Under the Proposal, restricted use reports would be permitted in any case but required only in limited circumstances. We believe that, for the most part, restricted reports will likely be issued by cautious and prudent practitioners in practice most of the time even if the Proposal is adopted intact in this respect. Nevertheless, we believe the reports should be required to be restricted in all cases as they are now to manage the risk of undue user reliance and exposure to litigation.
20 - Office of the Washington State Auditor	We generally agree with most of the proposed revisions in the exposure draft, and appreciate the expanded flexibility offered through the proposed agreed-upon procedures revisions by providing for the practitioner to be involved in the design of those procedures and issuing general use reports. However, we are concerned the proposed agreed-upon procedures revisions eliminate important considerations and requirements that are foundational to traditional agreed-upon procedures engagements in extant standards. Furthermore, unless the Government Accountability Office elects to adopt these proposed revisions in its *Government Auditing Standards* (2018 Edition), a disconnect would be created between the two sets of standards. Lastly, we believe it is fundamentally misleading to include and refer to this new engagement under proposed AT-C section 215 as "agreed-upon procedures", based on its historically understood meaning, where no parties have actually agreed to the procedures the practitioner performs. Therefore, we recommend the proposed expansions in AT-C section 215 instead be placed in their own separate AT-C section for a "selected" or "acknowledged" procedures engagement. Providing standards for both the traditional "agreed-upon procedures" engagement, as contained in extant AU-C section 215, and a separate section for the expanded procedures would better serve the

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	Board's stated intent to provide expanded flexibility for practitioners and clients, while also maintaining the integrity of the historically well-known and widely-used traditional agreed-upon procedures engagement.
21 - CliftonLarsonAllen	While we are supportive of the additional flexibility in the proposed standards (i.e., ability to assist with the development of procedures, removal of the requirement to restrict use, etc.), we believe that only having the engaging party acknowledge the procedures are appropriate is beyond what is needed and not in the public interest. We believe the engaging party should acknowledge the procedures are sufficient for their purpose as discussed further in our response to comment number 3. Overall, CLA agrees with the flexibility in the proposed SSAE in allowing the practitioner, the engaging party, or any other party to develop the procedures. In practice, it is very common for the practitioner to work closely with their smaller less sophisticated clients in developing appropriate procedures to be performed. However, we have concerns about how those changes align with the current SSAE framework included in Interpretation 1.297.010, *Application of the Independence Rule to Engagements Performed in Accordance with Statements on Standards for Attestation Engagements* of the AICPA *Code of Professional Conduct* (the "Code"). Those concerns are discussed further in comment number 3. Although overall we feel the proposed revisions provide greater flexibility, we believe limitations still exist for practitioners who perform multiemployer plan payroll compliance services (payroll audits) as agreed- upon procedures engagements. These limitations are a result of the changes which became effective under SSAE No. 18 in May 2017. Particularly burdensome is the requirement to obtain written representations as of the date of the practitioner's report from the engaging party when the engaging party is not the responsible party. We are supportive of having this requirement modified to allow for the practitioners to obtain if they believe it is necessary in the circumstances based on their professional judgment. CLA believes that it is important for someone to be required to take responsibility for the sufficiency of the procedures performed particularly if it is a general use report. This responsibility decreases the risk that users of the report would infer the practitioner's responsibility for the sufficiency of the procedures and serves to reduce the practitioner's legal exposure. Also, we have concerns about the ability of the practitioner to maintain independence if the practitioner is able to develop the selected procedures without another party assuming responsibility for the sufficiency of the selected procedures to ensure they meet the intended purpose of the engagement.

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22 - Ernst & Young LLP	**Question 1** We support the AICPA's proposal to expand the practitioner's ability to develop and perform procedures and issue a general-use report in a procedures-and-findings format beyond what's provided by AT-C 215 today because we believe it would provide more opportunities for companies to enhance the value of reports they provide to customers, employees, suppliers and other stakeholders. We believe that with appropriate safeguards for users, creating a new standard (i.e., a selected procedures engagement), as the ASB proposed in 2017, would be in the public's interest and could expand the value a certified public accountant (CPA) brings to the market. We also believe there is significant market demand for this type of service. Today, when all of the conditions of an AUP engagement are not able to be met, companies often engage a provider who is not a CPA to perform the service, or they engage the CPA to perform another type of service (e.g., a consulting engagement that restricts the use of the report to the engaging party, an examination engagement that is more extensive and costly). However, as discussed in our response to Question 2 below, we believe any final standard issued by the AICPA should include additional reporting requirements and application guidance to provide needed information to report users. For example, additional disclosure should be required: ▸ When the responsible party is unwilling to represent in writing that it is responsible for the subject matter in accordance with the specified criteria ▸ When specified parties do not agree to the procedures described in the practitioner's report and the subject matter relates to a contract or regulation ▸ When the responsible party has not performed its own evaluation or measurement of the subject matter in accordance with the specified criteria **Question 2** We support the development of a new standard (i.e., a selected procedures engagement) that would address requests that CPAs have received from companies that want CPAs to enhance their communications to various stakeholders in situations that go beyond what is permitted under the current guidance in AT-C 215. However, if the ASB does not pursue a separate project, we believe any final standard should retain the current requirements and application guidance of AT-C 215 when the subject matter relates to a contract or regulation.

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	We also support the proposed changes that would no longer restrict the use of all AUP reports to the specified parties that assume responsibility for the sufficiency of the procedures performed. However, we still believe the practitioner should be required to restrict the use of the report and provide disclosure when (1) the engaging party is unable to determine the party or parties responsible for the subject matter or (2) the subject matter is "sensitive" (i.e., subjects addressed in the AT-C 300 series, internal controls, cybersecurity risk management programs and information related to the sale of securities) and the party responsible for the subject matter refuses to provide a representation that the subject matter is in accordance with the criteria. In addition, for subject matter that is "not sensitive," when the responsible party is unwilling to provide a representation acknowledging its responsibility that the subject matter is in accordance with specified criteria, we believe the practitioner should consider restricting the use of the report and/or disclosing in the report the responsible party's refusal to provide the representation. We recommend adding this example to the proposed application guidance. The proposed changes to AT-C 215 would allow practitioners to continue using the term agreed-upon procedures when titling a report or describing the procedures performed even when the engaging party is the only party designing and acknowledging the appropriateness of the engagement procedures. Unless all specified parties have agreed to the procedures performed and use of the report is restricted to those parties, we believe titling a report as an AUP report should be prohibited to avoid misleading users of the report. In addition, when parties specified in the practitioner's report have not acknowledged that the procedures are appropriate for the intended purpose of the engagement, we believe that fact should be disclosed in the practitioner's report. We believe the practitioner should continue to be required to obtain agreement from all specified parties that the procedures are appropriate for the purpose of the engagement when the subject matter of the engagement relates to a contract or regulation. We are concerned about possible unintended consequences if the engaging party is the only party required to acknowledge the appropriateness of the procedures. For example, the practitioner may unwittingly agree to perform and report on procedures prescribed only by the engaging party that may be designed to produce biased results (i.e., favor the engaging party at the expense of the other parties specified in the practitioner's report). This would be particularly troubling if the findings in the report are used as the basis for the specified parties to take actions (e.g., pay differences identified in the findings). Also, because a practitioner could assume responsibility for the sufficiency of the procedures performed for the purpose of the engagement, obtaining acknowledgement from all specified parties would prevent the potential unintended consequence that the users of the report inappropriately interpret that the practitioner is providing assurance. **Question 3** We support the ASB's proposal to require the practitioner to obtain an acknowledgment from the engaging party that the procedures

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	performed are appropriate for the intended purpose of the engagement. We believe this represents a reasonable substitute for the current guidance in AT-C 215.11 that requires the parties specified in the practitioner's report to accept responsibility for the sufficiency of the procedures for their purposes. Because an AUP report may be used by different users (e.g., suppliers, customers, regulators) for different purposes, each user would need to determine whether, and to what extent, the procedures are sufficient for its purpose. We agree that the engaging party should acknowledge that the procedures performed are appropriate for the intended purpose of the engagement. This is especially important when a general-use report is expected to be issued because users would reasonably expect a party other than the practitioner to determine that the procedures are appropriate for the intended purpose and users may not be in a position to make this assessment. In most cases, we would expect the engaging party to determine that the AUPs are appropriate for the intended purpose of the engagement. Further, we believe this proposed requirement would be consistent with the other attestation standards that require a party to take responsibility for the procedures performed. However, because a practitioner could assume responsibility for the sufficiency of the procedures performed for the intended purpose of the engagement, users of the reports may interpret that to mean the practitioner is providing assurance, which is inconsistent with the nature of AUP engagements. This would also be inconsistent with the existing independence requirements for these engagements. We recommend that the proposed standard include language that prohibits the practitioner from assuming responsibility for the sufficiency of the procedures.
23 – Deloitte	D&T does not concur with the proposed amendments to AT-C 215 in the ED. The initial remit of the Specified Procedures Task Force was "to develop a standard that would result in a new service in which CPAs would perform procedures and report on the results of those procedures — without being required to request or obtain an assertion from the engaging party or restrict the use of the report."3 Amending AT-C 215 was not part of the charge of the Specified Procedures Task Force. This was because there was recognition that there is an active market in the area for engagements performed in accordance with extant AT-C 215; the project was instead part of a concerted effort to provide additional optionality to the practitioner to address unique "agreed-upon" engagement circumstances. In our view, the resulting decision of the ASB to merge the concepts from the Selected Procedures ED with extant AT-C 215 was flawed as it did not preserve a framework for performing existing agreed-upon procedures engagements. It is well-known that the obligation for a client to request a practitioner to perform an agreed-upon procedures engagement in accordance with the SSAEs is encompassed in many contractual agreements, as well as in existing laws and regulations. We believe that the specified users in these instances anticipate that the related engagements will be performed in accordance with the requirements in extant AT-C 215. While we acknowledge that the practitioner, if performing such engagements under the proposed AT-C 215, is not precluded from requiring certain elements that were previously embedded in extant AT-C 215 (for example, requesting a written assertion, or requesting that the specified parties agree to the procedures for the intended purpose of the engagement, or including an alert in the

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	AUP report to restrict its use), it is unlikely that this will be done consistently in practice, even when the engagement circumstances are the same, or similar. Engaging parties and users of the resulting reports are also unlikely to appreciate the differences, which in our view are significant. It is also our perspective that the ASB did not fully explore other unintended consequences of the proposed AT-C 215 amendments, for example, dual reporting in accordance with the standards of the PCAOB (using the interim attestation standards). D&T recognizes the need to introduce flexibility around the agreed-upon procedures engagements, and under the ambit of AT-C 215. We believe that AT-C 215 can be restructured in such a manner that the practitioner is provided the option (a proverbial "fork-in-the-road") to perform AUP engagements under the extant requirements or to use a more flexible approach; the decision as to which option is appropriate would depend on the engagement circumstances. By doing so, we believe that the standard should retain the requirement to request a written assertion if the practitioner is performing an AUP engagement under the extant requirements. Furthermore, this approach would preserve the long-standing, and well-known and understood, AUP engagement; which is extremely important to the marketplace and users of the reports. We believe that sufficient guidance or a framework of considerations can be developed so that the practitioner will be able to determine what path is more appropriate given the subject matter and the engagement circumstances. As the ASB continues its deliberations, we express our support for optionality as it relates to: • The engaging party acknowledging the appropriateness of the procedures for the intended purpose of the engagement. • The development of the procedures during the course of the engagement (i.e., the procedures may not necessarily be known at the outset of the attestation engagement). • The issuance of a general-use report. It is imperative that the agreed-upon procedures reporting elements require the optionality selected by the practitioner based on the engagement circumstances to be disclosed in the report, as this will provide transparency for the engaging party and users of the agreed-upon procedures report. These elements would include (among others) a statement as to whether or not:

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	• The practitioner received a written assertion. • The engaging party acknowledged the procedures being performed. • The specified parties agreed to the sufficiency of the procedures being performed for their purposes. **Request for Comment 5. Proposed Changes That Affect Only Agreed-Upon Procedures Engagements** **1. Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest?** As outlined in the overall comments above, D&T believes that additional flexibility may be appropriate in certain circumstances and believes that options to allow for that flexibility should be pursued by the ASB, but not at the expense of eliminating many of the existing underlying principles and requirements in extant AT-C 215. **2. Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215?** D&T does not believe this has been achieved. As noted previously there are existing engagements that are performed using extant AT-C 215, and fundamentally changing the standard will cause unnecessary confusion and consternation in the market-place; see also the D&T comment letter addressing the Proposed Statement on Standards for Attestation Engagements, *Selected Procedures*, dated December 7, 2017, for further insights as to our views on agreed-upon procedures engagements. **3. Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement?** D&T believes that in existing agreed-upon procedures engagements it is crucial to maintain the requirement for the specified parties to accept responsibility for the sufficiency of the procedures being performed for their purposes. As outlined in our overall comments

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	above, we express support for the ASB to pursue providing flexibility around agreed-upon procedures engagements and, in addition to preserving the existing extant AUP framework, we agree that in certain circumstances it may be appropriate for the engaging party to acknowledge the appropriateness of the procedures for the intended purpose of the engagement.
24 - Michigan Association of CPAs	In discussions with our members, we are generally very supportive of the new standard. AUPs are very common in the industry and we are very supportive of the changes. In particular, the elimination of the written assertion adds efficiency without reducing the value. In addition, we are also supportive of all changes that help to converge the international and U.S. standards. As the business world becomes more global, it is helpful and effective to reduce differences where appropriate. We applaud the changes on the engagement letter. Current practice involves a significant effort so effectively when we have finalized the engagement letter, the report is also complete. In addition, as CPAs, we are typically more effective at developing the required procedures. We also believe that the general user provision will be helpful. We did have one group note that while the proposed changes add flexibility in performing AUP, the proposed amendments are too extensive and a level of transparency is lost. There could be potential confusion about how is responsible for the procedures performed and users of the report may interpret that the accountant is providing some level of assurance. This group believes that the statement, by the accountant that they make no representation regarding the sufficiency of the report is valuable and should be permitted to be included, at the option of the accountant.
25 - U.S. Government Accountability Office	Proposed requirement changes to AT-C 215 to no longer require that all of the parties to the engagement (e.g., the engaging party, the responsible party (where applicable), and users of the practitioner's report) agree to the procedures to be performed and take responsibility for their sufficiency. Instead the engaging party is required to acknowledge the appropriateness of the procedures and the proposed standard would explicitly allow the practitioner to develop, or assist in developing, the procedures. We believe that the proposed requirement changes are reasonable and that the application guidance is helpful. However, with respect to agreed-upon procedures engagements, we suggest that an illustrative example be added showing a report with restricted-use, and we suggest the addition of language consistent with the last paragraph of proposed AT-C 205 A94. In addition, we believe that the revision of AT-C 215 allowing the practitioner to issue a general use report is reasonable, unless the

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	procedures are prescribed and the practitioner is precluded from designing or performing additional procedures, the criteria are not available to users, or the criteria are suitable only for a limited number of users. We believe that the proposed requirement changes to AT-C 215 are reasonable and that the application guidance is helpful. In addition, we believe that the proposed revision to AT-C section 215 is generally in the public interest. We also believe that adding a requirement to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the engagement's intended purpose is helpful when no party accepts responsibility for the sufficiency of the procedures. However, we suggest that an illustrative example be added showing an agreed-upon procedures report with restricted-use. In addition, we suggest the addition of language consistent with the last paragraph of proposed AT-C 205 A94, such as adding the following to the end of paragraph A57: "For example, the practitioner may determine that it is appropriate to include a restricted-use paragraph to avoid misunderstandings related to the use of the report, particularly if the report is taken out of context of the knowledge of the requesting parties in which the report is intended to be used."
26 - PricewaterhouseCoopers LLP	As we explained in our response to the ASB's *Selected Procedures* exposure draft, we understand concerns have been expressed in relation to the potential limitations of, and practical challenges with, AT-C section 215. For example, in practice, there is currently demand in some circumstances for an AUP report to be made available to third parties who have not agreed to the sufficiency of the procedures for their purposes (e.g., in situations when the company would like to broadly communicate to users, such as the results of a benchmarking engagement or procedures performed in response to a security breach). In addition, the pre-clarity attestation standards did not require a written assertion; the assertion was generally considered implicit in describing the character of the engagement or in the detailed procedures. Accordingly, the proposed change to AT-C section 215 to require the practitioner to request an assertion has been highlighted as likely to cause difficulty in practice in certain circumstances. We therefore support exploring how AT-C section 215 could evolve to overcome these challenges and enable practitioners to provide services when there is market demand for them. We believe it could be beneficial to enable a company to engage a practitioner to issue a general use report on procedures and findings with respect to particular subject matters - that is, when not all of the users have agreed to the procedures. However, as supported by the responses to the *Selected Procedures* exposure draft, it is essential that most aspects of a traditional AUP engagement be retained, given it is a valued, well-understood, and widely used service. In seeking to overcome the limitations and challenges that may exist with today's AUP engagements, an appropriate balance must be struck that does not undermine the quality with which AUP engagements are expected to be conducted.

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	We have some concern with the underlying premise of the proposed SSAE that no party would be required to take responsibility for the sufficiency of the procedures. In our view, this could be perceived by users as the practitioner taking such responsibility, even if the report states that is not the case. To alleviate this concern, we believe the proposed standard should require that it be clear in the engagement letter, the written representation, and the practitioner's report that the engaging party ultimately takes responsibility by both agreeing to the procedures and acknowledging they are appropriate for the intended purpose of the engagement. We are also concerned that the changes proposed to AT-C section 215 will potentially undermine or conflict with existing subject matter-specific standards or guidance related to AUPs, for example SOP 17-1, or other attestation engagements. Our preference is to retain the requirement to obtain a written assertion given the subject matter and acceptance of these engagements today. We therefore believe the proposed SSAE should explicitly require the practitioner to consider whether subject matter-specific standards or guidance set out specific expectations, including regarding obtaining an assertion or agreement of specified parties. Removing key elements of an AUP engagement (e.g., the requirement to restrict the report in all cases) in AT-C section 215 could undermine accepted practices that are governed by interpretive publications. Finally, we believe the report should include clear disclaimers, similar to language that is used today, to clarify that the practitioner makes no representation regarding the sufficiency of the procedures enumerated in the report either for the purpose for which the report has been requested or for any other purpose. We also support including language that was proposed in the illustrative report in the *Selected Procedures* exposure draft that "the procedures performed may not address all of the items of interest to a user and may not meet the needs of all users and, as such, users are responsible for the sufficiency of the procedures for their intended purpose." Given our other suggestions in relation to the need for the engaging party to agree to the procedures and acknowledge they are appropriate in the context of the business purpose of the engagement, reference to "sufficiency" could be changed to "appropriateness" in these sentences in the report. ***Our recommendations*** Rather than move forward with the current draft, we believe the ASB should agree on the primary objectives it is intending to address and make minimal updates to the current standard to address those objectives. This approach involves developing a framework that deals with the practical challenges in AUP engagements that have been identified, and allows for some flexibility for matters such as when only the engaging party acknowledges the procedures are appropriate and the consideration of a general use report. Key elements of this framework should include:

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	● The engaging party must agree to the procedures performed and acknowledge they are appropriate in the context of the business purpose of the engagement. While this moves away from the premise that all parties to the engagement (i.e., the specified parties) agree upon and are responsible for the *sufficiency* of the procedures for their purposes, it is essential that the concept of agreement be maintained. ● In agreeing to the terms of engagement, the engaging party and the practitioner determine whether, based on the purpose of the engagement, any other parties should be asked to acknowledge the procedures. The application material can include considerations as to when it may be more common to obtain agreement from all intended users. The practitioner should continue to be the one to obtain that agreement (retaining the extant guidance on how the practitioner might do that - for example, because it is written in a regulation or contract, or obtained in another written or oral form). This approach allows for flexibility by enabling the practitioner to exercise judgment based on the facts and circumstances of the engagement while preserving the intent of the existing standards. ● The practitioner determines whether or not the report should be restricted. We prefer the standard retain the presumption that the AUP report is restricted, but support allowing flexibility if, in the practitioner's judgment, a wider distribution and use of the report would be appropriate. For example, we believe some entities, such as issuers of securitizations, would have concerns about making reports intended to be used in a private transaction more widely available. In such circumstances, the engaging party may request, or the practitioner may decide, to restrict the report, in light of the purpose of the engagement and potential concerns that the nature of the engagement may be misunderstood. However, leaving decisions about restriction of use up to practitioner judgment rather than explicitly requiring it in the standard may lead to inconsistency or have other unintended consequences to engaging parties and others. ● The report is transparent about the facts and circumstances of the engagement, including disclosing which parties have agreed the procedures are appropriate in light of the purpose of the engagement. The report should also clearly indicate that the practitioner does not take responsibility for the sufficiency (or appropriateness) of the procedures to meet the objectives of the engagement. We believe this is best achieved by making limited changes to current AT-C section 215 versus drafting additional updates to the proposed SSAE. However, to simplify the staff's evaluation of our recommendations, we have drafted suggestions in Appendix B

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	based on the proposed SSAE. These changes serve to reinstate language in current AT-C section 215 that we think should be retained, while adding additional guidance to achieve the ASB's objectives in revising the standard. Finally, we believe it would be premature to move forward in finalizing the proposed standard in light of the IAASB's recently-approved Exposure Draft of revisions to ISRS 4400, *Engagements to Perform Agreed-upon Procedures Regarding Financial Information*. Given the AICPA's strategy to align to the requirements of the US standards with new or revised international standards (unless a requirement is not appropriate for the US environment), it seems prudent to consider if the proposed revisions to ISRS 4400 accomplish the objectives of this initiative. Doing so allows the ASB to avoid making further revisions to AT-C section 215 once ISRS 4000 is finalized to achieve convergence. ***Other recommendations related to application material in AT-C section 215*** We also support adding clarifications in the application material for matters that occur in practice but may not be expressly addressed in the standards, such as: ● The practitioner assisting in the development of the procedures (either through a separate consulting engagement or as an iterative part of the AUP engagement); ● The detailed procedures may not be known at engagement acceptance (only the objective of the engagement and the nature of the procedures may be known); and ● The procedures may evolve as the engagement progresses (generally to add more specificity or additional procedures as a result of unexpected results, not to remove procedures when exceptions are noted).
27 – PCPS Technical Issues Committee	TIC appreciates the effort the Auditing Standards Board (ASB) put forth to develop this proposed SSAE, which TIC believes will provide practitioners with additional flexibility to provide services to their clients. This ED adds flexibility for practitioners that are asked to perform agreed-upon procedures in situations where the specified parties do not have the ability or willingness to fully develop or determine the procedures which is common with smaller firm clients today. In this situation, the only way a practitioner can perform these procedures under current standards is through a consulting engagement, which is not the ideal solution. As noted in our comment letter on the Selected Procedures ED, the consulting standards set forth by the AICPA are not nearly as robust as standards set forth by the ARSC or ASB and, therefore, leave much room for practitioner judgment. In comparison to other

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	standards, the Statement on Standards for Consulting Services is a mere 7 pages and offers very broad and generic guidelines but no clear and distinct guidance for practitioners to follow in specific client situations. By developing a new standard under the SSAEs, TIC feels this would provide a better framework for practitioners to follow, similar to how AUP engagements are currently being performed under the SSAEs. TIC is aware that five members of the ASB dissented to the issuance of this ED. In reviewing the reasons for those dissents, there seems to be concern related to marketplace confusion, and the belief that practitioners should not be permitted to perform an engagement where management is not able to provide a written assertion. As for marketplace confusion, TIC would urge the Board to consider how many new standards and types of services have been developed over the years due to the hard work of the ASB. While TIC agrees there will be a learning curve in getting practitioners and their clients up to speed on these new standards, TIC does not believe that should prevent us from making what TIC believes to be welcome changes to the existing literature to allow for more flexibility and to fill a need in the current marketplace. TIC does not believe a learning curve in understanding and implementing these changes should prevent the ASB from moving ahead with what TIC believes is a long overdue change to practice. TIC believes the decision perform this type of engagement should be a firm risk management issue and not one where the standards explicitly prohibit such a service. TIC believes this new service would be a welcome change for those firms that deal with smaller, resource-constrained private company clients since the current attest standards do not permit this type of service from being performed. As previously stated, TIC believes that the changes to AUPs provide much needed flexibility and are a clear improvement in the standards that would enable practitioners to better meet the needs of engaging parties and, therefore, serves the public interest. TIC further appreciates that there are many ways to provide the increased flexibility in the standard, ranging from creating an entirely separate section of the AT-C standards (as originally proposed with the Selected Procedures ED) to the approach taken in the current ED. TIC's preference would be to expand the current AT-C section 215 to have two paths, one for an AUP consistent with the extant standard and another for the flexibility provided in the ED. In addition, there might be a way to make the two different types of reports look very different in order to avoid marketplace confusion, whereby even the titles of the reports might be different. For example, TIC believes there could be some additional

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	language added to the report regarding what party (or parties) have agreed to the procedures and more of a "buyer" beware notation regarding the potential intended users of the report that have not agreed to the procedures which might also help alleviate some of the concerns raised. However, TIC would find acceptable any of the possible approaches to amending the standard that provides the desired result. *1. Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest?* Please see below for TIC's combined response to both questions 1 and 2. *2. Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215?* TIC believes that the proposed changes to AT-C section 215 are needed and in the public interest. TIC has been an advocate for adding flexibility to AT-C section 215, particularly as it relates to smaller entities that can understand the purpose of the engagement and the subject matter, however, do not have the ability or willingness to fully develop or determine the procedures for the practitioner to perform. TIC believes that this ED provides the much-needed flexibility while retaining the option to perform an AUP consistent with the extant standards. *3. Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement?* TIC agrees that no party would be required to accept responsibility for the sufficiency of the procedures. TIC also agrees that the engaging party would be required to acknowledge that the procedures performed are appropriate for the intended purpose of the engagement. TIC also understands and appreciates that a "traditional" AUP as provided for under current standards continues to be allowed under the ED. In particular, AT-C section 215.03 of the ED indicates in part "additionally, there may be engagements in which the engaging

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	party or other parties assume responsibility for the sufficiency of the procedures." TIC believes that this paragraph could be expanded or Application and Other Explanatory Material added to provide further clarity between "acknowledging that the procedures are appropriate for the intended purpose" and "assuming responsibility for the sufficiency of the procedures." TIC believes that paragraph should make it clear that the traditional AUP engagement we have always known under the AT-C standards is not being removed, the ASB is just expanding the ability for the practitioner to be able to provide similar services when the client is either unwilling or unable to design the procedures. Such clarity will help practitioners distinguish between an AUP engagement performed under current standards and an AUP engagement performed using the flexibility provided in the ED. TIC also suggests that all AUP reports include the phrase "We make no representation regarding the sufficiency of the procedures either for the purpose for which the report has been requested or for any other purpose" (taken from Extant AT-C section 215.35 and abbreviated). Adding this language to all AUP engagements performed under the new proposed standards will help users of AUP reports understand the extent of practitioner responsibility. TIC is also aware that the way this new type of service was originally structured under the specified procedures project was as a completely new standard, separate from a traditional AUP engagement. TIC believes that perhaps if this was structured where there was a common concepts section that is common to all AUP-type engagements, then two separate "paths" or sections within the AT-C standards that address each of the two situations involving whether or not management provides the assertions, there may be less confusion. Perhaps there could even be a creative way to have slightly different names for the two different types of AUP engagements. For example, there are many aspects of both a traditional AUP engagement and this new service that would be the same. However, some of the planning and reporting aspects are different. Even though it might seem repetitive, breaking this out more clearly into two distinct paths may help to alleviate some of the concerns raised about marketplace confusion related to these services. In addition, as TIC noted earlier in this letter, having different wording and titling for the two different types of reports may also result in less confusion and help alleviate concerns about the marketplace not being able to distinguish between these two types of AUP engagements. Subject to the suggestions above, TIC believes the proposed changes to AT-C section 215 are understandable and the related application guidance will be helpful in applying the new proposed requirements.

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	ADDITIONAL COMMENTS TIC believes that, when a practitioner performs payroll compliance services on more than one employer under AT-C section 215 for a multiemployer employee benefit plan, the standard should permit a practitioner to obtain one representation letter from the engaging party (Plan Trustee) that covers all payroll agreed-upon procedures performed during a specified period. In addition, TIC agrees with the EBP Audit Quality Center's suggestion that the final standard should incorporate the language of AICPA TQA 6935.05, *Multiemployer Plans*, with their suggested revisions, to provide guidance to practitioners performing payroll compliance as agreed-upon procedures engagements when a representation letter is not received from the responsible party. This would formalize the guidance in the TQA and elevate it to the appropriate level of authority so as not to be overlooked by practitioners who are not aware of the TQA.
28 - Dixon Hughes Goodman LLP	DHG is supportive of the ASB's efforts in advancing the attestation standards to provide more flexibility to practitioners in meeting new market demands, particularly as it relates to amending AT-C Section 215, "*Agreed-Upon Procedures*" (AT-C 215) to allow for flexibility in the development of procedures and general use reports, while requiring the restriction of an agreed-upon procedures (AUP) report in certain circumstances. We believe there is a need for a service that allows for the performance of procedures and reporting of findings in a report that is general use and, consequently, does not specifically require the agreement of all users to the procedures. However, we do have concerns about the potential unintended consequences some of the proposed amendments could have on users' understanding of the attestation services offerings, in particular, understanding of the services and procedures performed under an AUP engagement, and what evidence was obtained to support the procedures and findings included in these reports. An AUP engagement has been a beneficial professional service offering for years, and any advancements to these engagements should be grounded within the foundational framework of extant AT-C 215. We acknowledge the challenges in developing any new service offering and have provided recommendations that are intended to enhance users' understanding of the services offered and to assist practitioners and engaging parties in considering how to design and conduct AUP engagements. **Responsibility for Procedures Performed** The Attestation Proposal would allow the practitioner, the engaging party, or any other party to develop the procedures. The practitioner would be required to obtain from the engaging party, prior to the issuance of the practitioner's report, a written acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement, but would not be

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	required to obtain acknowledgment about the sufficiency of the procedures. We are supportive of the revisions provided by the Attestation Proposal, in particular, the engaging party's acknowledgement of the appropriateness of the procedures, and appreciate the ASB providing flexibility to practitioners and engaging parties in developing procedures associated with an AUP engagement. However, removing the requirement for engaging parties to acknowledge in writing their responsibility for the sufficiency of the procedures could essentially result in no party associated with the AUP engagement taking responsibility for the sufficiency of the procedures. Without a clear understanding of who is responsible for the sufficiency of the procedures, users of the reports could infer that the practitioner has a higher level of responsibility than is required under the standards. This is compounded by the Attestation Proposal allowing the practitioner to take responsibility for the sufficiency of procedures performed, which may also suggest that the practitioner is providing a level of assurance that is not consistent with the objectives of the engagement. Therefore, we recommend the Attestation Proposal make explicitly clear that the practitioner is not responsible for determining the sufficiency of the procedures performed, even when designing the procedures. We believe this could be accomplished by requiring that all AUP reports, where the practitioner has not taken responsibility for the sufficiency of the procedures performed, include the phrase "*We make no representation regarding the sufficiency of the procedures either for the purpose for which the report has been requested or for any other purpose*" which is currently included in paragraph 35 of extant AT-C 215. While we acknowledge that similar language is included in the Attestation Proposal, it is included in application guidance and is conditioned on the engaging party or other parties taking responsibility for the sufficiency of the procedures; we believe that requiring the inclusion of this language in AUP reports would enhance users' understanding of the practitioner's responsibilities. We are also concerned that absent additional clarity regarding the responsibilities of the practitioners and users, users of these reports may not truly understand the nature and limitations of the reports. Therefore, we strongly encourage the ASB to require the following statement within the report to clarify that the user is responsible for determining the appropriateness of the procedures for their particular needs, *"The procedures performed may not address all of the items of interest to a user and may not meet the needs of all users and, as such, users are responsible for the appropriateness of the procedures for their intended purpose*." Finally, we acknowledge that our recommendations could be under the umbrella of a firm's risk management decision processes and

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	tolerance levels; however, we strongly believe it is in the public's best interest to enhance the users' understanding of the AUP reports, including understanding the limitations of these reports, as well as the responsibilities of the parties related to the procedures applied within the report. **Restricted Use Reports** The Attestation Proposal would no longer require the practitioner to restrict the use of all AUP reports to the specified parties that assumed responsibility for the sufficiency of the procedures. We support removing the requirement that all AUP reports be restricted, while providing scenarios where restricted access is warranted, in particular paragraphs .33(b) and (c). However, we believe the ASB should remove the requirement to restrict the usage of the report in situations where the engaging party prescribes the procedures and precludes the practitioner from performing or designing additional procedures, as it could potentially limit situations where knowledgeable engaging parties are restricted from distributing their reports to other informed users. For instance, Client A requests a practitioner to only perform certain procedures (i.e. Client A prescribes the procedures and precludes the practitioner from performing or designing additional procedures). Under the Attestation Proposal, the practitioner is required to restrict the report. However, assuming similar subject matter and general objectives, except for the fact that Client B requests the practitioner's assistance in designing the procedures, the AUP report is not required to be restricted. As a result, the Attestation Proposal would permit a general use report for Client B and require a restricted use report for Client A, with the only difference being that Client A was able to design the procedures without assistance from the practitioner. We believe it was not the ASB's intention to limit knowledgeable engaging parties' ability to distribute these reports, regardless of whether or not the practitioner assists in the development of the procedures. Alternatively, we believe the ASB should allow for flexibility in providing general use reports, while providing guidance where restrictions may be warranted in certain scenarios. We believe this is consistent with other standards developed by the AICPA. Furthermore, there may be situations where the terms of an AUP engagement require distribution of the report to specific parties. In these situations, we believe it would be in the public's best interest to clarify that such reports should be restricted to those specified parties. We believe paragraph .A63 of AT-C 215 of the Attestation Proposal provides a basis for the practitioner to restrict the report under these circumstances, and strongly recommend the ASB move this paragraph from application guidance to the requirements in paragraph 33.
29 – BDO	Consistent with our comments in our letter dated December 4, 2017 on the Proposed Statement on Standards for Attestation

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	Engagements, *Selected Procedures*, we support the development of attestation standards to meet current and potential market demands, with the objective of enhancing the communicative value of attestation reports to users. However, we continue to believe that an engagement performed in accordance with AT-C Section 215, *Agreed-Upon Procedures Engagements* (AT-C Section 215), should require (1) the engaging party or other party to take responsibility for the sufficiency of the procedures, (2) the responsible party to take responsibility for the assertions related to the engagement, and (3) the report to provide for a restriction on use. The removal of these requirements from the traditional assertion-based agreed-upon procedures engagement has the potential to increase attestation risk for practitioners and increase, rather than decrease, the expectation gap. We recognize that the ASB's Audit Issues Task Force recommended that the ASB adopt a project to evaluate opportunities to provide practitioners with additional flexibility when performing agreed upon procedures engagements, including the potential for the practitioner to be involved in the design of those procedures and issue general use reports. And while we are supportive of the overarching objective of the proposed SSAE to modernize the attestation standards, we believe it is not in the public interest to change the nature of the traditional agreed-upon procedures engagement. Rather than revise extant AT-C Section 215, we believe the development of a new type of attestation service to provide the necessary flexibility would provide the needed opportunities to meet future demand while also retaining the fundamental tenets of the traditional agreed-upon procedures engagement within AT-C Section 215.
29 – BDO	As noted in our introductory comments, we are concerned that the proposed changes to extant AT-C section 215 go beyond what is necessary to alleviate any practical challenges in the application of the extant standard, and may cause confusion among practitioners and users of agreed-upon procedures reports that are used extensively today. We note that many commenters to the September 2017 proposed new standard, *Selected Procedures*, expressed concern regarding the proposed changes to the nature of the current agreed-upon procedures engagement. In particular, we are concerned that the elimination of substantially all of the requirements that address the concepts of an assertion-based engagement will result in confusion in the marketplace and inconsistent implementation of the proposed standard. We do not believe the proposed changes to AT-C Section 215 are in the public interest. We continue to believe an agreed-upon procedures report should be restricted to the specified parties that assume responsibility for the sufficiency of the procedures. We understand the calls for modernization of the attestation standards and support the development of such standards; however, we believe a preferred approach to such modernization would be to develop a separate standard rather than make revisions to extant AU-C section 215.
30 - Kearney & Company	We agree with the proposed changes in the exposure draft.
31 - SingerLewak Accountants &	SingerLewak appreciates the effort the Auditing Standards Board (ASB) put forth to develop this exposure draft, which we believe

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Consultants	will provide practitioners with additional flexibility to provide services to their clients. This exposure draft adds needed flexibility for practitioners that are asked to perform agreed-upon procedures engagement services but in situations where the client is unable to develop the procedures themselves or to take responsibility for the sufficiency of the procedures (both of which are common issues encountered by smaller firm today). Under the current standards, the only way a practitioner can "fit in" this type of service would be through a consulting engagement, which is not the ideal solution. We are aware that five ASB members dissented to the issuance of this exposure draft. From reading through the reasons for those dissents, some seem concerned about marketplace confusion and others simply don't think a practitioner should be permitted to perform an engagement where management is not able to provide a written assertion. The decision about whether a practitioner is willing to perform this type of engagement should be a risk management issue and not one where the standards explicitly prohibit a practitioner from performing a much-needed service in the marketplace. This would be a positive change for those firms serving smaller, less complex, private company clients where the current attest standards prohibit this type of service from being performed. 1. *Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest?* See below for our combined response to both questions 1 and 2. 2. *Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215?* The proposed changes are needed, particularly as it relates to smaller entities that can understand the engagement purpose and subject matter, but are not equipped to design procedures for the practitioner to perform. This exposure draft provides much needed flexibility while retaining the option to perform a traditional agreed-upon procedures engagement. 3. *Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that*

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	the procedures performed are appropriate for the intended purpose of the engagement? Yes, we agree that no party would be required to accept responsibility for the sufficiency of the procedures, and also that the engaging party would be required to acknowledge that the procedures performed are appropriate for the intended purpose of the engagement.
32 - Ohio Society of CPAs	Overall, the committee supports modernizing AT-C section 215 to align with current acceptable practices, including greater flexibility for general-use reports and for the practitioner to be involved in designing procedures. However, given current marketplace understanding and acceptance of agreed-upon procedures report purposes and limitations, the committee is concerned regarding unintended consequences of the proposed language and that current protections for the practitioner not be eliminated. *i. Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest?* As the agreed-upon procedures engagements are currently well understood in the marketplace as to their purpose and limitations, the proposed changes may lead to misunderstandings in the marketplace. Consumers/users of the reports may not understand the changes and may not realize the impact of the changes. Additional language is recommended for the revised report to make this clearer to the user. *ii. Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215?* The proposed revisions provide increased flexibility while retaining the ability to perform agreed-upon procedures engagements under existing standards, with the exception of the comments expressed in (5)(i) and (5)(iii). Most notably, the committee felt the engaging party should take responsibility for the sufficiency of procedures. *iii. Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement?*

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	No. This change increases the risk to the practitioner, and the committee felt management of the engaging party should accept responsibility for the sufficiency of the procedures in order to preserve the independence of the practitioner. The committee understands and supports the intent to align the proposed standard with the assistance a practitioner may provide in current practice. The committee believes however, that the engaging party has the ability and knowledge to take responsibility for the sufficiency of the procedures even if the practitioner helped develop the procedures. The committee discussed whether this was similar to an audit, in that a client does not take responsibility for the procedures in an audit, however discarded this argument since the client does take responsibility for the financial statements in a representation letter. The committee understands procedures may change over the course of an engagement, however felt that the acceptance of these modifications through the engaging party's approval of a draft report was appropriate and did not create an administrative burden of obtaining a revised engagement letter each time a procedure changed. The committee felt at a minimum, the report should include an explicit statement that the practitioner is not taking responsibility for the sufficiency of the procedures. While this could be construed as negative language, the committee felt the inclusion of this language was more beneficial and outweighed the business risk associated with potential misunderstandings in the marketplace as to the procedures performed. This is underscored by the permissibility of the practitioner to apply additional procedures, which make create an assumption in the marketplace that the procedures performed were sufficient, when that is a very subjective determination depending upon the report user. The committee feels the language in the report example for general use, which states that the report may not be suitable for any other purpose than that acknowledged by the engaging party should be strengthened. The wording should explicitly state the need for the user of the report to make their own determination of the sufficiency of the report for their intended use.
33 - North Carolina Association of CPAs	**The proposed changes would allow the practitioner, the engaging party, or any other party to develop the procedures and would no longer require the practitioner to obtain written representation about the sufficiency of the procedures performed.** The Committees agree with allowing the practitioner to take on an increased role in developing or assisting the engaging party in developing the procedures to be performed. The practitioner often has insight based on their overall experience in complex accounting issues that would allow them to share guidance based on knowledge the engaging party may not have. A collaboration between the practitioner and the engaging party increases the likelihood that both sides will have the same expectations about what objectives need to be accomplished and the procedures that are necessary in order to accomplish those objectives. Therefore, we believe an increased role by the practitioner is needed and in the public interest. However, the Committees believe that in situations

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	where the engaging party will be relying on the results of the agreed-upon-procedures engagement to make management decisions, the independence of the practitioner could potentially be impaired if the practitioner develops the procedures and assumes responsibility for the sufficiency of those procedures. If the independence of practitioners is impaired, it decreases the amount of confidence that third party users can place on the results, which is not in the best interest of the public. Further, it is ultimately the belief of the Committees that the engaging party is going to have more in depth knowledge of the entity and would be in a better position to determine the sufficiency of the procedures to be performed based specifically on the objectives that the engaging party hopes to meet. Finally, it is the belief of the Committees that lack of a requirement for the engaging party to accept responsibility for the sufficiency of the procedures performed opens the practitioner up unnecessarily to litigation over any subsequent disputes that may arise related to the nature and extent of procedures to be performed. The committee believes that the extant guidance regarding AUPs has been muddied by the addition of the new alternatives. We believe two paths have truly been created – the current version of the AUP and the updated more collaborative AUP. Because they have been included in one section, it is hard for users to distinguish what is required in each case. As a result, we believe diversity in practice will occur. We recommend separating the two engagements into separate engagement types. This will allow clear paths to be identified. We also recommend a separate name for the engagement type and a report that clearly differentiates itself from the extant AUP. **The proposed changes also would no longer require the practitioner to restrict the use of all agreed-upon procedures reports.** The Committees recognize the value in the flexibility of being able to use judgment in terms of when to restrict the users of an agreed-upon-procedures report. However, the Committees are concerned about agreed-upon-procedures reports being relied on by third parties to make decisions in situations where an audit or limited assurance report on the financial statements taken as a whole, along with accompanying footnotes provide more complete and relevant information that should be relied on. If the practitioner does not limit the use of limited assurance reports and third party users incorrectly rely on that information to make a decision, practitioners are unnecessarily opened up to exposure to litigation and other liabilities. Third party users making incorrect decisions as a result of relying on the results of the wrong type of engagement for their needs is not in the best public interest. Increased litigation and scrutiny of the practitioners only decreases the confidence in the public accounting industry which also is not in the best public interest. While the Committees are not in agreement with this proposed change, it is the opinion of the Committees that this would have a minimal impact on agreed-upon-procedures reports as the Committees envision most, if not all practitioners continuing to restrict the use of the reports even in cases where it is not required to do so.

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34 - CohnReznick LLP	**Responsibility for the procedures performed.** Overall, we are supportive of the proposed changes. We believe the changes are understandable and the application guidance is helpful. We support the ED's proposed change to extant AT-C 215 shifting away from the premise of specified parties determining the procedures to be performed by the practitioner and assuming responsibility for the sufficiency of the procedures and moving to a premise where the practitioner, the engaging party, or any other party, develop the procedures with the engaging party acknowledging the appropriateness of the procedures. We feel this shift appropriately reflects on what is significant for a quality engagement. We feel that much of extant AT-C 215 could be kept as is with the following changes: ▪ Remove the requirement to restrict the report as to use ▪ Remove the requirement for the specified parties to agree to the sufficiency of the procedures Such would increase flexibility, reduce potential confusion of practitioners, and reduce marketplace confusion (which would be in the public interest) **Revises when the use of a practitioner's agreed-upon procedures report needs to be restricted** We agree with the concept that the practitioner would no longer be required to restrict the use of all agreed-upon procedures reports to the specified parties that assume responsibility for the sufficiency of the procedures. We noted the ED has a requirement to restrict the use of the report if any of the following exist: 1. The practitioner is precluded from designing or performing additional procedures, 2. The criteria are not available to users, or 3. The criteria are appropriate only for a limited number of users. We agree that #2 and #3 are valid criteria for requiring a restriction on use. However, we are not certain #1 should require a restriction. We believe this situation may often be difficult to operationalize in practice, since often, agreed-upon procedures engagements involve some input from the practitioner and #1 would put the practitioner in a difficult position to evaluate whether the practitioner was indeed "precluded from designing or performing additional procedures." ***1. Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest?***

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	We believe the proposed expansion of the practitioner's ability to perform procedures and report, inasmuch as it relates to the description of the procedures performed, or the corresponding findings, being misleading, is appropriate and in the public interest. ***2. Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215?*** Overall, we do agree the proposed revisions appropriately address said objective. However, we feel the ASB should revisit the flow of the proposed revisions. We feel that much of extant AT-C 215 could be kept as is with the following changes: ▪ Remove the requirement to restrict the report as to use ▪ Remove the requirement for the specified parties to agree to the sufficiency of the procedures Such would increase flexibility, reduce potential confusion of practitioners, and reduce marketplace confusion (which would be in the public interest). ***3. Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement?*** Overall, we find the proposed revisions satisfactory. The accepting of responsibility by the specified parties, as to the sufficiency (or possibly just appropriateness) of the procedures, we believe, should still be required when specified parties are named, or indicated, in the report. Such would help general users further contextualize the AUP report. However, if the specified parties did not want to accept responsibility for sufficiency or appropriateness, such parties would not be named or indicated. The whole concept of naming or indicating specified parties would be optional. The proposed AT-C 215 report has sufficient caveats and informative wording to alert a reader as to the nature of the report. Such includes: ▪ The engaging party acknowledges that the procedures performed are appropriate for the purpose indicated, ▪ That the report may not be suitable for any other purpose

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	▪ Had the practitioner performed additional procedures, other matters might have come to the practitioner's attention that would have been reported ▪ That the practitioner was not engaged to and did not conduct an examination or limited assurance attestation engagement, the objective of which would be the expression of an opinion or conclusion We also believe the practitioner should be prohibited from assuming responsibility for the sufficiency of the procedures.
35 – KPMG LLP	We are supportive of the Board's efforts to modernize the agreed-upon procedures standard to recognize where practice has appropriately evolved. However, the Proposed Standard significantly changes key features of the existing agreed-upon procedures standard which is regularly used and understood by users. Moreover: • We understand the reason for replacing the term "sufficiency of the procedures", which is because there may be circumstances where the procedures performed are a part of the engaging parties overall objectives. In all instances, however, we believe the engaging party has to agree to the procedures performed and provide specific written representations. • The requirement to include a description of the intended purpose of the agreed-upon procedures engagement was expressly removed as a requirement with the issuance of SSAE No. 18 based on the notion that the intended purpose was not necessary if the procedures and findings were transparent. We continue to believe the intended purpose is not necessary. Further, when under the Proposed Standard, no one is responsible for the sufficiency of the procedures, adding the intended purpose could potentially mislead users to believe that the practitioner is responsible for the sufficiency of the procedures detailed in achieving the intended purpose of the engagement. • Regarding the proposed revisions to written representations: • The application material would not require responsible party representations if the engagement is required by law or regulation or the responsible party doesn't agree with having an attest engagement performed. As written, this could result in instances where no written representations are obtained, which we think is inappropriate. • The requirement for the practitioner to request a written representation stating whether the subject matter has been measured or evaluated against the criteria is reasonable, however, there is no application material addressing when it

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	would be appropriate to eliminate this required representation when the practitioner is engaged to assist with the measurement of the subject matter. Moreover, we recommend that the Board consider including such information in the report to provide transparency to the users. • We continue to believe that agreed-upon procedures reports should be restricted use unless certain facts and circumstances exist.
36 - Grant Thornton LLP	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 practioner 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.

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	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

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	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

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	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 understand as to (1) whether restricting the use requires the practioner 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 circumstances 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 practioner 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

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	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.
37 - Florida Institute of CPAs	The Committee agrees with the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C Section 215. We also agree that the proposed provisions appropriately increase the practitioner's flexibility. However, even though we agree on those changes mentioned above, we disagree with the proposed revision to AT-C 215 whereby no party would be required to accept responsibility for the sufficiency of the procedures. We believe that change to the attestation standard would jeopardize the practitioner's independence and may even open door to unnecessary liability risks. We recommend the proposed revised AT-C 215 retain the requirement for the specified parties to take responsibility for the sufficiency of the procedures, via the engagement letter, for instance. The Committee recommends that, in case the practitioner should assist in helping the specified parties develop the agreed-upon procedures because they are not knowledgeable enough to develop them on their own, these specified parties should take responsibility for the appropriateness and sufficiency of the procedures in the *engagement letter* before the start of the engagement, and not after its completion.
38 - Crowe LLP	We believe that the Proposed Standard provides increased flexibility in the performance of Agreed-Upon Procedures (AUP) engagements and use of the resulting reports. We note, however, that the current AUP standard is widely used and well understood in the marketplace as to its purpose and limitations and the changes as a result of the Proposed Standard may lead to misunderstandings in the marketplace. Users or potential users of the reports may not fully understand the changes and may not realize the impact and limitations of the changes. We believe there may be unintended consequences of the proposed changes, which will specifically lead to increased business risk for practitioners. The proposed changes related to removing the provision that the specified parties are responsible for the sufficiency of the procedures for their purposes, removing the requirement to agree upon the procedures before the procedures are performed, and allowing practitioners to apply additional procedures will increase the risk of misunderstandings between parties to the engagement and in the marketplace. Under the Proposed Standard, the client's determination of the appropriateness of the procedures occurs after the procedures have been performed and before the report is issued. The lack of clarity in the beginning of the process due to procedures not being clearly delineated at the beginning of the engagement, and the client no longer taking responsibility for the sufficiency of the procedures, increases the risk of misunderstanding between the parties substantially. With less agreement at the beginning of the engagement, the procedures performed may not be as expected or desired by the engaging party, thereby creating

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	issues when reporting on the results of the procedures. We support the increased flexibility of the Proposed Standard to reflect certain practices that are already occurring, however more flexibility often leads to more risk. We are also concerned that there may be potential misunderstandings in the marketplace over the difference between acknowledging the "appropriateness" of procedures versus taking responsibility for the sufficiency of the procedures, which has been well understood under the current standard. We believe the Proposed Standard should retain the requirement that the engaging party take responsibility for the procedures.
39 - Baker Tilly Virchow Krause LLP	***1.*** *Is the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 needed and in the public interest?* We believe the proposed expansion of the practitioner's ability to perform procedures and report in a procedures-and-findings format beyond that provided by AT-C section 215 is both needed and in the public interest. It is not uncommon for practitioners to be asked to perform engagements under the attestation standards that cannot be performed as attestation engagements due to certain requirements in the current attestation standards that can't be met based on the nature of those engagements (e.g. balloting services). Practitioners are forced to either decline those engagements or perform them as consulting engagements, neither of which we believe are in the public interest. ***2.*** *Do the proposed revisions to AT-C section 215 appropriately address the objective of providing increased flexibility to the practitioner in performing and reporting on an agreed-upon procedures engagement while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215?* We believe that the proposed revisions to AT-C section 215 do provide increased flexibility while retaining the practitioner's ability to perform an agreed-upon procedures engagement as contemplated in extant AT-C section 215, however, we would recommend that the ASB consider adding application guidance to assist practitioners in situations where they choose to request an assertion from the responsible party. ***3.*** *Do you agree with the proposed revision to AT-C section 215, whereby no party would be required to accept responsibility for the sufficiency of the procedures and, instead, the practitioner would be required to obtain the engaging party's acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement?*

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	We believe that the procedures-and-findings format report provides users with sufficient information to decide whether the procedures performed and findings reported are appropriate for their purposes, therefore, we do not believe that it is necessary to require any party to accept responsibility for the sufficiency of the procedures.

Request for Comment 6
Should AT-C section 210 of this proposed SSAE continue to prohibit the practitioner from performing a limited assurance engagement on (*a*) prospective financial information; (*b*) internal control; or (*c*) compliance with requirements of specified laws, regulations, rules, contracts, or grants? Please explain the rationale for your response.

Overall Scorecard of Responses

Potential removal of limitations on limited assurance engagements

Support	Notes	Oppose	Notes
3 – New Jersey Society of CPAs		4 - Ostrow Reisin Berk & Abrams, Ltd	
30 - Kearney & Company		6 - National Association of State Boards of Accountancy	
		7 - Hantzmon Wiebel LLP	
		8 – RSM US LLP	
		10 – New York State Society of CPAs	
		11 - Texas Society of CPAs	
		12 - Office of the Auditor General	
		14 - Beth A. Schneider	
		15 - Illinois CPA Society	
		17 - Hunter College	
		19 - Piercy Bowler Taylor & Kern	
		21 - CliftonLarsonAllen	
		22 - Ernst & Young LLP	
		23 - Deloitte	
		25 - U.S. Government Accountability Office	
		26 - PricewaterhouseCoopers LLP	
		27 – PCPS Technical Issues Committee	
		29 - BDO	
		31 - SingerLewak Accountants & Consultants	
		32 - Ohio Society of CPAs	
		33 - North Carolina Association of CPAs	
		34 - CohnReznick LLP	But should be revisited within the next few years.
		35 – KPMG LLP	
		36 - Grant Thornton LLP	
		37 - Florida Institute of CPAs	
		39 - Baker Tilly Virchow Krause LLP	

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3 – New Jersey Society of CPAs	The Group believes that there is a need for limited assurance engagements on prospective financial information, internal controls and compliance with requirement of specified laws, regulations, rules, contracts or grants. In many instances, the ability of the practitioner to provide examination engagements in these situations does not allow for flexibility in serving the needs of the stakeholders. Permitting the use of these engagements will require additional guidance as to the nature and extent of procedures that would be required in order to obtain limited assurance in these areas, but would provide a sufficient and lower-cost solution for clients.
4 - Ostrow Reisin Berk & Abrams, Ltd	ORBA concurs with the retention of the prohibition on the performance of limited assurance engagements on (a) prospective financial information; (b) internal controls; and (c) compliance with requirements of specific laws, regulations, rules, contracts, or grants (collectively, the "prohibited subject matters"). These prohibited subject matters may be examined and prospective financial information may also be compiled. These areas do not readily lend themselves to the objectives and performance of a limited assurance engagement. We do not believe that appropriate criteria could be established against which to measure and evaluate prospective financial information and internal controls in a limited assurance engagement. With respect to compliance with laws, regulations, etc., the practitioner opines whether the appropriate party does comply or doesn't comply with the laws, regulations, etc. A conclusion that the practitioner is not aware of any material instances of noncompliance with laws, regulations, etc. implies that there are instances of noncompliance. Such a conclusion would probably raise more questions rather than providing the requisite credibility as to the accuracy of the assertion that the appropriate party complies with laws, regulations, etc.
6 - National Association of State Boards of Accountancy	NASBA agrees with the proposed Statement's continuing to prohibit the practitioner from performing limited assurance engagements on prospective financial information, internal control, or compliance requirements of specified laws, regulations, rules, contracts or grants. The goals of the attestation standards are to provide guidance, define a measure of quality and set boundaries around a growing service line. Areas (subject matter) in which performing limited assurance engagements are prohibited are those in which management's responsibilities are central to the subject matter and well understood. By their nature, these areas are more subjective and require more professional expertise and judgment. There is greater potential for misunderstanding the degree of reliability of the information and, therefore, more risk to the public. Considering the other sweeping changes to long-standing requirements in this proposed Statement, NASBA believes it is appropriate to continue to prohibit performing limited assurance engagements on these subject areas.
7 - Hantzmon Wiebel LLP	We support the continued prohibition from performing a limited assurance engagement on (a) prospective financial information; (b) internal control; or (c) compliance with requirements of specified laws, regulations, rules, contracts, or grants.
8 – RSM US LLP	We believe AT-C section 210 of the proposed SSAE should continue to prohibit the practitioner from performing a limited assurance

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	engagement on (a) prospective financial information; (b) internal control; and (c) compliance with requirements of specified laws, regulations, rules, contracts or grants. We do not believe it is practical to provide limited assurance with respect to these matters and recommend retaining the prohibition as written in the extant standards.
11 - Texas Society of CPAs	Yes, the SSAE should continue to prohibit a practitioner from performing limited assurance engagements on the specified engagements. We think that these types of engagements are too broad in scope for limited assurance engagements.
12 - Office of the Auditor General	We agree it would be inappropriate for practitioners to issue limited assurance reports on these topics. The procedures performed for limited assurance engagements are not sufficient to allow users to properly rely on reports on these subject matters.
13 - A-LIGN	A-LIGN does not perform review or limited assurance engagements as defined by the AICPA, therefore, the firm declines to respond to Request for Comment 6.
14 - Beth A. Schneider	While the extant standards permitted procedures to be performed other than analytical procedures and inquiries, under the proposed changes to the attestation standards for a limited assurance engagement, it is now a little more difficult to argue that a limited assurance engagement could not be applied to either internal control or compliance, or even prospective financial. However, given the nature of prospective financial information, the practitioner's attestation risk in a limited assurance engagement would seemingly be too high to warrant performance of such an engagement. Practitioners could perform the same procedures as for an examination of internal control or compliance, but to a lesser extent for a limited assurance engagement. The difficulty would be in adequately describing the procedures in the practitioner's report so that users of the report can clearly understand that it is less than an examination engagement and not take more assurance from the report than warranted by the engagement.
15 - Illinois CPA Society	The Committee believes the current prohibition on performing a limited assurance engagement on: (a) prospective financial information; (b) internal control; or (c) compliance with requirements of specified laws, regulations, rules, contracts, or grants, should be maintained. The Committee believes that users of limited assurance reports (on prohibited subject matters) would not be able to rely on the underlying information presented by the reporting entities to the extent needed to satisfy other reporting requirements, laws and/or regulations.
16 - National State Auditors Association	No comment.
17 - Hunter College	We believe that the practitioner should not be allowed to perform a limited assurance engagement on prospective financial information, internal control, and compliance with requirements of specified laws. Since there are practical limitations within a limited assurance engagement, one could argue that not enough evidence could be collected to state a formal opinion regarding financial information, internal control, and compliance. AT-C Section 210 should continue to prohibit the practitioner from performing the above tasks.
18 - Association of Local Government	We have no comment on the proposed changes on the prohibition on the performance of a limited assurance engagement on certain

Commenter	Specific Response
Auditors	subject matters requirements. We also have no comment as to the understandability and helpfulness of the guidance on the prohibition on the performance of a limited assurance engagement on certain subject matters.
19 - Piercy Bowler Taylor & Kern	We agree with the proposed prohibition on providing limited assurance on prospective financial information, internal control, or compliance with laws and regulations, rules contracts or grants because these engagements generally consist of a combination of inquiries and analytical procedures and because the subject matter would not lend itself to benchmarking. We are also doubtful of the potential utility of such reports since users would likely want more than limited (or negative) assurance.
21 - CliftonLarsonAllen	We support the continuance of this prohibition because we believe the ability to obtain sufficient evidence in these areas can be challenging for the practitioner.
22 - Ernst & Young LLP	Overall, we do not believe that permitting practitioners to perform limited assurance engagements on (a) prospective financial information, (b) internal control or (c) compliance with requirements of specified laws, regulations, rules, contracts or grants would serve the public interest. We believe that AT-C 210 of the proposed SSAE should continue to prohibit practitioners from performing a review engagement on this subject matter. In the cases where the subject matter is internal controls or compliance with contracts or regulations, users of these reports are looking for binary responses (e.g., whether the entity is in compliance with the regulation, whether the entity's internal controls are designed and operating effectively) to questions about the subject matter and it would be inappropriate to provide limited assurance over these issues.
23 – Deloitte	D&T does not believe that the prohibition on the performance of a "limited assurance" engagement on certain subject matters, namely prospective financial information, internal control or compliance with requirements of specified laws, regulations, rules, contracts, or grants, should be removed without a careful analysis of the unintended consequences. This analysis should include an evaluation of why these subject matters were originally specifically precluded in the extant SSAEs (pre-clarity) for example; paragraph 6 of AT section 501, *An Examination of an Entity's Internal Control Over Financial Reporting That Is Integrated With an Audit of Its Financial Statements*, and paragraph 7 of AT section 601, *Compliance Attestation*. We believe that rather than focusing on whether the prohibition should be removed because the ED now more explicitly allows practitioners to 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," the question that should be answered is whether the nature of the subject matter is such that it is not appropriate for a limited assurance engagement to be performed. It is clear from paragraph A24 of AT-C 210 in the ED that such a notion is considered.

Commenter	Specific Response
25 - U.S. Government Accountability Office	We agree that AT-C section 210 of the proposed SSAE should continue to prohibit limited assurance engagements on prospective financial information; internal control; and compliance with requirements of specified laws, regulations, rules, contracts, or grants. We believe that a limited assurance engagement does not provide a sufficient level of assurance to be an appropriate type of engagement for these areas
26 - PricewaterhouseCoopers LLP	Yes, we believe review engagements related to certain subject matters in which inquiry and analytics do not provide a sufficient basis on which to base the practitioner's conclusion should be prohibited. While the proposed SSAE highlights other procedures that may be performed (which may provide more persuasive evidence), practitioners ultimately could decide to perform only inquiry and analytics on these subject matters. Our concerns are further exacerbated by the proposed removal of the requirement to obtain a written assertion in a review engagement. If the appropriate parties are unwilling or unable to provide an assertion, we do not believe a review engagement would be appropriate in relation to these subject matters.
27 – PCPS Technical Issues Committee	Yes, TIC believes that limited assurance engagements should continue to be prohibited in these circumstances. The nature of limited assurance engagements has not changed and, therefore, the prohibition continues to be appropriate.
29 – BDO	We agree with the prohibition on the performance of limited assurance engagements on (a) prospective financial information; (b) internal controls; and (c) compliance with requirements of specific laws, regulations, rules, contracts, or grants (collectively, the prohibited subject matters). While a practitioner performing a limited assurance engagement may perform procedures similar to those performed in an examination engagement, the nature, timing and/or extent of procedures will necessarily be limited. Moreover, user expectations relating to these matters may not be met by a limited assurance engagement.
30 - Kearney & Company	We do not believe that AT-C Section 210 of this proposed SSAE should continue to prohibit the practitioner from performing a limited assurance engagement on certain subject matter. In the extant standard, the three prohibition areas were logical, in that they did not readily lend themselves to analytic procedures and inquiry. In the proposed limited assurance engagement, a practitioner would be allowed to perform examination-like procedures, and the three prohibition areas do lend themselves to examination-like procedures. The practitioner will need to assess at what point examination-like procedures become, in fact, an examination. AICPA guidance in this area would be helpful if the existing prohibition was lifted.
31 - SingerLewak Accountants & Consultants	Yes, limited assurance engagements should continue to be prohibited in these circumstances.
32 - Ohio Society of CPAs	Yes, these subject matters require more detailed procedures than primarily inquiry and analytics.
33 - North Carolina Association of CPAs	As stated above, the Committees have concerns about allowing additional procedures to be performed under a limited scope engagement beyond analytical procedures and inquiries. Considering it is the belief of the Committees that limited assurance engagements continue to consist primarily of analytical procedures and inquiries, it is the opinion of the Committees that a limited

Commenter	Specific Response
	assurance engagement would not be sufficient to provide limited assurance that no modifications need to be made to prospective financial statements, internal control, or compliance with requirements of specified laws, regulations, rules, contracts, or grants.
34 - CohnReznick LLP	We believe AT-C section 210 should continue to prohibit the practitioner from performing a limited assurance engagement on (*a*) prospective financial information; (*b*) internal control; or (*c*) compliance with requirements of specified laws, regulations, rules, contracts, or grants. With recent changes to the attestation standards in the last couple of years and then again with the proposed changes in the ED, we believe introducing a new class of services on what, until now, has been prohibited subject matter, presents potential confusion to the marketplace, which would not be in the public interest. However, this issue should be revisited in the next few years.
35 – KPMG LLP	The inherent nature of the subject matters listed do not ordinarily allow practitioners to have the basis to perform a review, even when considering the proposed expanded procedures for limited assurance engagements. Accordingly, we believe the Proposed Standard should continue to prohibit the review engagements for these subject matters.
36 - Grant Thornton LLP	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.
37 - Florida Institute of CPAs	The Committee agrees with the prohibition on the performance of a limited assurance engagement on prospective financial information, internal control and compliance with requirements of specified laws, regulations, or grants. We believe it is appropriate for these types of engagements to remain in the field of examination attestation.
39 - Baker Tilly Virchow Krause LLP	We believe that AT-C section 210 of this proposed SSAE should continue to prohibit the practitioner from performing a limited assurance engagement on (a) prospective financial information; (b) internal control; or (c) compliance with requirements of specified laws, regulations, rules, contracts, or grants as we believe that it would be difficult for a practitioner to design procedures to obtain limited assurance given the nature of the subject matter.

Comments on Specific Paragraphs Within the Proposed SSARSs

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

- 2 – Commonwealth of Virginia – Auditor of Pubic Accounts
- 8 – RSM US LLP
- 14 - Beth A. Schneider
- 16 - National State Auditors Association
- 17 - Hunter College
- 18 - Association of Local Government Auditors
- 26 - PricewaterhouseCoopers LLP
- 36 – Grant Thornton LLP

COMMENT NO.	Paragraph in the Exposure Draft or Topic	Commenter	Comments	Task Force Consideration of Comments	Change Made to Proposed SSAE?