

November 28, 2017

Mr. Mike Glynn
American Institute of CPAs
1211 Avenue of the Americas
New York, NY 10036-8775

Re: Proposed Statement on Standards for Attestation Engagements: *Selected Procedures*

Dear Mike:

I appreciate the opportunity to provide comments on the proposed SSAE, *Selected Procedures*. I believe the profession's provision of attestation and other assurance services generally benefits both clients and users and should be encouraged. It is with that perspective that I provide these comments.

Although the prefatory materials imply otherwise, the proposed service can be done now, in the absence of this proposed standard. Nothing in professional standards prohibits the proposed service or limits the distribution of the resulting report as long as the report is clearly distinguishable from an attestation report. The issuance of an attestation standard, then, should be intended to protect the public; providing the AICPA's imprimatur represents a promise to users that the service achieves a useful goal.

I believe that, to fulfill this promise, the proposed standard needs to provide additional safeguards to protect external report users. In all other engagements performed under the SASs and SSAEs the practitioner applies either those procedures he or she considers necessary to achieve the objective of the service or those procedures specified as necessary by the users themselves. In this case, however, there is no discipline over who chooses the procedures or even whether there is an objective to be achieved. There is nothing, for example, to prevent an engaging party from selecting only those procedures it expects to support the subject matter, avoiding those that might not or choosing procedures that appear to be impressive but achieve no useful goal.

Rather than protecting external users of the report, the proposed service lays the burden on them to understand the service and analyze whether it meets their needs despite the fact that the users don't know how the procedures were selected or even, in some cases, who selected them and are not presumed to understand contextual matters such as the risks of misstatement or the source or characteristics of the information reported on. What safeguards are built into the ED are not sufficient for an AICPA-branded service. At a minimum the standard should establish additional requirements for determining the scope of the procedures or providing sufficient context in the report.

Characterizing such a service as an attestation service without additional safeguards is potentially misleading to users and, therefore, not in the public interest or in the best interest of the profession. If ARSC's goal is merely to clarify that professional standards permit applying and reporting individual procedures for general use if the practitioner judges it appropriate in the circumstances, that goal can be accomplished through communications other than a new standard.

If it is issued, the proposed standard should address a number of other issues and inconsistencies (for example, without a meaningful definition of "specified procedures" it appears the standard would apply to

any service in which the practitioner issues a report detailing the procedures applied and their results, which would sweep in a significant number of consulting engagements) but until the fundamental issue is addressed, there is no point in detailing them here.

I would be happy to discuss this with ARSC if it has any questions.

Sincerely,

Don M. Pallais