



Agenda Item 2

Consideration of Comments Received on Proposed Revised AT-C sections 210 and 215

Objective of Agenda Item

To discuss the comments received on the public exposure of the proposed Statement on Standards for Attestation Engagements, *Revisions to Statement on Standards for Attestation Engagements No. 18*, Attestation Standards: Clarification and Recodification (the “SSAE ED”) specific to the proposed revisions to AT-C section 210, *Review Engagements* and AT-C section 215, *Agreed-Upon Procedures Engagements* and to obtain preliminary feedback from the ARSC.

The summary of the comment letters received with respect to AT-C sections 210 and 215 are included as Agenda item 2B. ARSC members should read the summary prior to the meeting.

Background

Selected Procedures Exposure Draft

In September 2017, the ARSC exposed for public comment proposed Statement on Standards for Attestation Engagements, *Selected Procedures*, which was developed jointly by the ARSC and the ASB.

The proposed SSAE would have eliminated the requirement for

- the engaging party (and responsible party, where applicable) and users of the practitioner’s report to agree to the procedures to be performed and to accept responsibility for the sufficiency of the procedures for their purposes. The proposed SSAE would have enabled the practitioner to determine the procedures to be performed, and no party would have been required to take responsibility for the sufficiency of the procedures. This would have allowed the practitioner to perform the engagement without having to perform a separate consulting services engagement in situations in which the specified parties do not have the ability or willingness to fully develop or determine the procedures.
- the practitioner to either request a written assertion or disclose in the accountant’s report when the practitioner has not obtained a written assertion.
- the practitioner to restrict the use of the practitioner’s report. The proposed SSAE

Consideration of Project to Revise AT-C sections 210 and 215

Discussion Memorandum

ARSC Meeting, November 13-15, 2018

would allow the report to be used by a wider audience, including parties who are unwilling or unable to agree to the sufficiency of the procedures for their purposes.

As part of the exposure draft, the ARSC asked respondents whether they believe the proposed SSAE should be included in the professional literature as (a) a revision to AT-C section 215 (that is, the requirements and guidance for agreed-upon procedures engagements and selected procedures engagements would reside in one AT-C section) or (b) as a new stand-alone AT-C section.

Comments were requested by December 1, 2017, and 28 comment letters were received from a variety of interested parties, including large international firms, smaller firms, state societies, and regulators.

The exposure draft Proposed Statement on Standards for Attestation Engagements *Selected Procedures* is available at

<https://www.aicpa.org/content/dam/aicpa/research/exposuredrafts/accountingandauditing/downloadabledocuments/20170901a-ed-selected-procedures.pdf>.

The 28 comment letters received are available at

<https://www.aicpa.org/content/aicpa/research/exposuredrafts/accountingandauditing/loc-on-ed-of-proposed-sas-for-attestation-engagements-selected-procedures.html>.

The ARSC and ASB met separately in January 2018 to consider the comment letters received. After extensive discussion and input from the Attestation Standards Task Force (a joint task force of the ASB and ARSC – see below for composition), both the ASB and the ARSC determined that a revised AT-C section 215 should be drafted that would provide increased flexibility for practitioners 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.

Proposed Revisions to SSAE No. 18, Including AT-C section 215 Incorporating Flexibility

Simultaneous to the Selected Procedures project, the ASB had been debating proposed revisions to AT-C sections 105, *Concepts Common to All Attestation Engagements*; 205, *Examination Engagements*, 210 and 215 that, if issued as final standards, would enable a practitioner to report on subject matter without having to obtain a written assertion from the responsible party. The proposed attestation standards would also more closely align with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. The ARSC had been providing feedback with respect to the proposed revisions of AT-C sections 105 and 210.

Given the relationship between the two projects, it was determined that to maximize efficiency the Selected Procedures Task Force and the ASB’s Direct Engagements Working Group would be combined into one task force – the Attestation Standards Task Force (Task Force). The charge of the combined Task Force is to consider revisions to the attestation standards so that a practitioner may (a) report on an examination, review,

Consideration of Project to Revise AT-C sections 210 and 215

Discussion Memorandum

ARSC Meeting, November 13-15, 2018

or agreed-upon procedures engagement without having to request a written assertion from the responsible party and without any report implications and (b) provide an agreed-upon procedures report without having to restrict the use of the report to the specified parties who agreed upon the procedures. The Task Force is co-staffed by Mike Glynn and Judith Sherinsky and consists of the following members:

Denny Ard (Co-Chair) – Member of the ARSC
Catherine Schweigel (Co-Chair) – Former member of the ASB
Marne Doman – PricewaterhouseCoopers LLP
David Johnson – Member of the ARSC
Michael Manspeaker – Member of the AICPA’s Technical Issues Committee
Daniel Montgomery – Member of the ASB
Paul Penler – Ernst & Young LLP
Chad Singletary – Member of the ASB

The chairs of the ARSC and ASB (Mike Fleming and Mike Santay, respectively) have observer rights to the Task Force meetings. Matthew Zaun of the Government Accountability Office also serves as an observer to the Task Force.

At its meeting in May 2018, the ASB voted to expose the proposed standard for public comment. Fifteen members voted to issue the proposed SSAE as an exposure draft and five members dissented to issuance of the exposure draft. The reasons that the dissenting members provided for their respective votes are included in the Explanatory Memorandum accompanying the exposure draft.

The exposure draft was issued on July 11, 2018 and comments were requested by October 11, 2018. The exposure draft is included as Agenda item 2A. The explanatory material that accompanied the exposure draft included certain issues on which the ASB requested specific feedback. With respect to AT-C section 215, those issues were:

1. Responsibility for the procedures performed.
2. Whether the use of the practitioner’s agreed-upon procedures report needs to be restricted.

With respect to AT-C section 210, the issues on which the ASB requested specific feedback were:

1. Change of the term *review engagement* to *limited assurance engagement*.
2. Clarification of the types of procedures a practitioner may perform in a limited assurance engagement.
3. Proposed requirement to include a description of the procedures performed as a basis for the practitioner’s conclusion in the practitioner’s limited assurance report.

4. Allowance for 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.
5. Continued prohibition on the performance of a limited assurance engagement on certain subject matter.

Each of the broad issues included specific requests for comment.

39 comment letters were received from a variety of interested parties including large international firms, smaller firms, state societies, and regulators. All comment letters are available at

<https://www.aicpa.org/content/aicpa/research/exposedrafts/accountingandauditing/comment-letters-on-proposed-ssae-no-18.html>.

Task Force Consideration of the Comments Received on the Exposure Draft

The Attestation Standards Task Force met via conference call on October 30, 2018. The purpose of the call was to discuss the comment letters received and develop tentative thoughts on a path forward based on the comments received. The Task Force will meet, in person, on December 4, 2018 to more fully consider the issues and develop an issues paper for discussion by the ASB at its meeting in January 2019. At this time, the Task Force requests the ARSC's feedback on the comments received, especially which specific issues should be addressed further by the Task Force and included in the Task Force's issues paper for the January 2019 ASB meeting.

Convergence

It is the ASB's and the ARSC's stated strategies to converge its standards with those of the International Auditing and Assurance Standards Board (IAASB). For that reason, another objective of the exposure draft of the proposed SSAE was to further converge the attestation standards with ISAE 3000 (Revised), which was issued in December 2013. ISAE 3000 (Revised) is an assurance standard that addresses reasonable assurance engagements (examinations) and limited assurance engagements (reviews). The IAASB's assurance standards are the equivalent of the ASB's attestation standards for examinations and reviews.

When the attestation standards were clarified by the ASB in 2016, many of the paragraphs in the extant AT-C sections were converged with the related paragraphs in the ISAE 3000. However, the ASB did not adopt certain aspects of ISAE 3000 at that time, for example, allowing the practitioner to perform an examination or review engagement without having to request a written assertion from the responsible party.

In addition, at its meeting in September 2018, the IAASB approved the exposure draft of International Standard on Related Services (ISRS) 4400, *Engagements to Perform*

Consideration of Project to Revise AT-C sections 210 and 215

Discussion Memorandum

ARSC Meeting, November 13-15, 2018

Agreed-Upon Procedures Regarding Financial Information (ISRS 4400 (Revised)) for public exposure. The exposure draft is expected to be issued in early November 2018 with a 120 day comment period. The draft of the proposed standard included in the agenda material for the IAASB's September 2018 meeting is available at:

Requirements: http://www.iaasb.org/system/files/meetings/files/20180918-IAASB-Agenda-Item-5-C-ISRS-4400-Revised-Requirements-Clean_0.pdf

Application Material: http://www.iaasb.org/system/files/meetings/files/20180918-IAASB-Agenda-Item-5-D-ISRS-4400-Revised-Application-Material-Clean_0.pdf

Consideration of Comments on Proposed Revisions to AT-C section 215

Requirement to Obtain a Written Assertion From a Responsible Party

The Task Force continues to support a proposed revised AT-C section 215 that does not require the practitioner to request a written assertion or disclose in the accountant's report when the practitioner has not obtained a written assertion.

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

The Task Force noted that there is broad support expressed in the comment letters for providing the practitioner additional flexibility in the performance of a procedures-and-findings service beyond that provided by extant AT-C section 215. Three options discussed by the Task Force were:

- Within AT-C section 215 whereby the standard provides separate performance and reporting requirements based on the intended users of the practitioner's report (the Task Force referred to this option as a "hard fork")
- Within AT-C section 215 by providing additional application guidance that would steer practitioners toward "traditional AUP" in certain circumstances (the Task Force referred to this option as a "soft fork" and is consistent with the exposure draft)
- As a separate stand-alone AT-C section consistent with the exposure draft of the proposed SSAE, *Selected Procedures*

The Task Force determined that the comment letters appear to favor either a hard fork within extant AT-C section 215 or a separate stand-alone AT-C section for the more flexible approach. The Task Force considered the concern that a new AT-C section (perhaps entitled *Selected Procedures*) may result in challenges for regulators and peer review programs as such a service is not currently addressed in regulations. However,

Consideration of Project to Revise AT-C sections 210 and 215

Discussion Memorandum

ARSC Meeting, November 13-15, 2018

the Task Force concluded that such concerns may be overstated as many regulators refer to “the attestation standards” as opposed to “examinations, reviews, and agreed-upon procedures engagements.”

The Task Force proposes that a revised AT-C section 215 be developed using extant as a base. Such standard would include a hard fork based on the intended users of the practitioner’s report. For example, if the engagement is required by regulation or a contract between a limited number of parties, the performance requirements in extant AT-C section 215 would be retained such that the intended users (specified parties) would be required to accept responsibility for the sufficiency of the procedures for their purposes (the reporting requirements would be debated as there is some support for general use reports even in situations in which specified parties accept responsibility for the sufficiency of the procedures). Otherwise, the practitioner would be permitted to utilize the more flexible proposal whereby the practitioner would not be required to obtain the agreement of the users as to the sufficiency of the procedures and instead would be required to obtain the engaging party’s acknowledgment that the procedures are appropriate for the intended purpose of the engagement. When utilizing the flexible option, the practitioner would not be required to include an alert in the practitioner’s report that restricts the use of the report to the parties that have agreed to the sufficiency of the procedures.

Such a proposal would not be inconsistent with the IAASB’s proposed ISRS 4400 (Revised) as the proposed ISRS 4400 (Revised) requires that the engaging party acknowledge that the procedures are appropriate for the purpose of the engagement. The proposed ISRS 4400 (Revised) requires that the acknowledgment come at the agreement of the terms of the engagement stage and, if the procedures evolve over the course of the engagement, the practitioner amend the terms of the engagement with the engaging party. The proposed ISRS 4400 (Revised) also requires that the terms of the engagement include the identity of the intended users of the practitioner’s report but does not require that the practitioner obtain any agreement or acknowledgement from the intended users with respect to the procedures.

Action Requested of ARSC

After reading the Summary of Responses (Agenda Item 2B) related to 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, the ARSC is asked to provide its feedback and input with respect to the issues identified, the comments received and the Task Force discussion described above in order to provide direction to the Task Force in its development of an issues paper to be discussed by the ASB at its January 2019 meeting.

Sufficiency/Appropriateness of the Procedures

Extant AT-C section 215 is premised on specified parties determining the procedures to be performed by the practitioner and assuming responsibility for the sufficiency of the procedures. The exposure draft proposed to allow the practitioner, the engaging party, or any other party to develop the procedures. The practitioner would be required to obtain

Consideration of Project to Revise AT-C sections 210 and 215

Discussion Memorandum

ARSC Meeting, November 13-15, 2018

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 required to obtain acknowledgment about the sufficiency of the procedures. If the practitioner is unable to obtain that acknowledgment, the practitioner would be required to withdraw from the engagement. Although there is no requirement to obtain acknowledgement from parties other than the engaging party, the practitioner is not precluded from doing so, and the proposed SSAE, similar to extant AT-C section 215, includes application guidance for situations in which a practitioner may wish to obtain such acknowledgments from other parties.

If extant requirements are retained for engagements required by regulation or a contract between a limited number of parties, the intended users would be required to assume responsibility for the sufficiency of the procedures but, if the engagement was not required by regulation or contract, the engaging party would be required to acknowledge that the procedures are appropriate for the intended purpose of the engagement. The Task Force also noted that the proposed ISRS 4400 (Revised) requires that the engaging party agree that the procedures are appropriate for the purpose of the engagement.

Use of both terms – sufficient and appropriate - may create confusion and the Task Force acknowledges that reconciling the terms would be difficult. The comment letters tend to favor the use of the more familiar term – sufficient. However, the proposed ISRS 4400 (Revised) uses the term appropriate.

Action Requested of ARSC

After reading the Summary of Responses (Agenda Item 2B) related to the Sufficiency/Appropriateness of Procedures, the ARSC is asked to provide its feedback and input with respect to the issues identified, the comments received and the Task Force discussion described above in order to provide direction to the Task Force in its development of an issues paper to be discussed by the ASB at its January 2019 meeting. Further, the Task Force specifically requests that the ARSC provide feedback as to whether it prefers that the proposed requirements run to the specified parties and/or the engaging party to accept responsibility for the sufficiency or the appropriateness of the procedures (or some combination).

Requirement to Obtain a Representation Letter

Pursuant to paragraph .28 of AT-C section 215, a practitioner performing an agreed-upon procedures engagement is required to request from the responsible party written representations in the form of a letter addressed to the practitioner. This requirement is not consistent with the pre-clarity standards for an agreed-upon procedures engagement which did not require the practitioner to obtain a representation letter. Instead, paragraph .37 of AT section 201, read as follows:

.37 A practitioner may find a representation letter to be a useful and practical means of obtaining representations from the responsible party. The need for such a letter may depend on the nature of the engagement and the specified parties. For example, paragraph .68 of section 601 requires a practitioner to obtain written representations

Consideration of Project to Revise AT-C sections 210 and 215

Discussion Memorandum

ARSC Meeting, November 13-15, 2018

from the responsible party in an agreed-upon procedures engagement related to compliance with specified requirements.

CliftonLarsonAllen's comment letter included the following:

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.

CliftonLarsonAllen's proposal is consistent with the pre-clarified agreed-upon procedures standard.

There are other engagements, outside of payroll services, in which the requirement to obtain a representation letter in an agreed-upon procedures engagement has proven to be problematic.

IAASB's proposed ISRS 4400 (Revised) does not require the practitioner to request any written representations from any party.

Action Requested of the ARSC

After reading the Summary of Responses (Agenda Item 2B) related to the Requirement to Obtain a Representation Letter, the ARSC is asked to provide its feedback and input with respect to the issues identified, the comments received and the Task Force discussion described above in order to provide direction to the Task Force in its development of an issues papers to be discussed by the ASB at its January 2019 meeting. In this regard, the Task Force requests that the ARSC provide feedback as to whether it believes that the requirement for the practitioner to obtain a representation letter in an agreed-upon procedures engagement should be retained, modified, or removed.

Other Considerations With Respect to AT-C Section 215

The Task Force also preliminarily discussed that any proposed revision of AT-C section 215 would include significant application guidance when the practitioner assists in the development of procedures or when the procedures evolve over the course of the engagement.

The reporting requirements would also require transparency in the practitioner's agreed-upon procedures report as to what party or parties assumed responsibility for the sufficiency of the procedures or acknowledged that the procedures were appropriate for

the intended purpose of the engagement. The Task Force will provide substantive proposals to the ARSC to solicit ARSC's input to the ASB at a future meeting.

Consideration of Comments on Proposed Revisions to AT-C section 210

The exposure draft proposed to change the term *review engagement* to *limited assurance engagement*. The proposed change was intended to help differentiate review engagements performed in accordance with AR-C section 90, *Review Engagements* and AT-C section 930, *Interim Financial Statements* from those performed in accordance with AT-C section 210. Additionally, the proposed revision more appropriately describes the nature and extent of the work that may be necessary to obtain limited assurance when the subject matter is nonfinancial. The Task Force noted that commenters were divided with respect to the proposed revision – with many being indifferent.

The exposure draft also proposed to require the practitioner to include a description of the procedures performed in the practitioner's limited assurance report. The comments received on the exposure draft favored increased transparency but support for the proposed revision was lukewarm. The Task Force continues to support the proposed reporting requirement.

Also, the Task Force continues to support the practitioner's ability to express an adverse conclusion in a limited assurance report. Comments received tended to also favor the proposed option.

Finally, the commenters overwhelmingly supported retaining the prohibition on the practitioner 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

Action Requested of the ARSC

After reading the Summary of Responses (Agenda Item 2B) related to the Proposed Revisions to AT-C section 210, the ARSC is asked to provide its feedback and input with respect to the issues identified, the comments received and the Task Force discussion described above in order to provide direction to the Task Force in its development of an issues paper to be discussed by the ASB at its January 2019 meeting.

Underlying Subject Matter vs. Subject Matter Information

The objectives, requirements, and guidance in the proposed revised SSAE runs to the reliability of subject matter or an assertion about subject matter. *Subject matter* is defined as the phenomenon that is measured or evaluated by applying criteria. The practitioner's attestation report is intended to enhance the degree of confidence that intended users can place in the subject matter. The attestation standards can be applied to innumerable types of subject matter, for example, compliance with a law or regulation,

the effectiveness of controls over the security of a system, or a statement of greenhouse gas emissions.

ISAE 3000 (Revised) has a different construct as it runs primarily to *subject matter information*. ISAE 3000 (Revised) includes the following definitions:

Subject matter information—The outcome of the measurement or evaluation of the underlying subject matter against the criteria, i.e., the information that results from applying the criteria to the underlying subject matter.

Underlying subject matter—The phenomenon that is measured or evaluated by applying criteria.

In developing the proposed revised SSAE, to remain aligned with practitioners' current understanding and application of the attestation standards in the United States, the ASB had determined to not use the term *subject matter information* in the proposed SSAE.

However, certain commenters have stated that not utilizing the term *subject matter information* has the unintended consequence of adding confusion to the proposed revised SSAE. Certain of those comments are provided below:

Deloitte - Using the terminology would have allowed for a clearer distinction to have been made between the measurement or evaluation of the underlying subject matter in accordance with (or based on) the criteria, and the attestation engagement to report on the outcome of such measurement or evaluation (i.e., the subject matter information).

Consequently, there is little clarity in the ED as the proposed SSAE uses the generic phrase "subject matter" to cover both situations; this will cause confusion in understanding how convergence has been achieved, the theoretical concepts, and when implementing the proposed SSAE.

Grant Thornton LLP - We believe distinguishing between subject matter information and underlying subject matter provides the practitioner with much needed clarity in executing the engagement, regardless of which party performs the measuring.

In addition, we believe the decision not to adopt "subject matter information" and "underlying subject matter" results in further misalignment of the proposed objectives with the defined term "misstatement" reflected in proposed AT-C Section 105, *Concepts Common to All Attestation Engagements*. We foresee similar operational challenges because the definition of misstatement does not make sense when only the phrase "subject matter" is used. We respectfully request that the Board reconsider its decision not to adopt "subject matter information" and "underlying subject matter" in the proposed standards. By adopting the two terms from ISAE 3000, we believe the Board can develop clearer requirements that align with the objectives of the engagement and other defined terms provided in the proposed standards.

Consideration of Project to Revise AT-C sections 210 and 215

Discussion Memorandum

ARSC Meeting, November 13-15, 2018

PricewaterhouseCoopers LLP - If the ASB continues to believe changes should be made for convergence, we believe consideration should be given to whether to use the ISAE 3000 (Revised) term “subject matter information,” which is distinct from subject matter. At present, the proposed SSAE uses a single term (subject matter) to refer to both. Doing so raises questions, for example, relating to independence in a direct engagement.

Action Requested of the ARSC

Recognizing that this is a complex issue that the ARSC has not previously considered, the ARSC is asked to consider the issue and provide its feedback and input in order to provide direction to the Task Force in its development of an issues paper to be discussed by the ASB at its January 2019 meeting.

Appropriate Party vs. Responsible Party

Extant attestation standards differentiate the roles of *engaging party* and *responsible party* and includes differential requirements based on the individual roles. The proposed revised SSAE runs many of the requirements (such as for providing written representations) to an *appropriate party* which could be the engaging party or responsible party. Certain commenters have expressed concern that running requirements to *appropriate parties* and leaving it to the practitioner’s professional judgment as to who to make inquiries to or to request written representations from will create confusion and may inadvertently create independence issues.

PricewaterhouseCoopers LLP – 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.

Beth A. Schneider - Proposed AT-C section 105 introduces the concept of ‘appropriate party’ and states that it refers to “the responsible party, the engaging party, or both, as appropriate.” This multitude of possibilities makes it difficult to comprehend which party is actually being referred to throughout all proposed sections and, accordingly, may trip practitioners up in attempting to comply with certain requirements (e.g., they may believe that it pertains to the engaging party when they should have applied the requirement to both the engaging party and the responsible party).

Deloitte - 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

Consideration of Project to Revise AT-C sections 210 and 215

Discussion Memorandum

ARSC Meeting, November 13-15, 2018

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).

KPMG LLP - While we appreciate that the responsible party may not always be the engaging party, we believe the existing construct of SSAE No. 18 generally works and would benefit from more specificity with regard to the identification of the responsible party. The notion of a responsible party is fundamental to the practitioner's evaluation of independence.

Consequently, we believe the use of the terms "responsible party" and "engaging party" is preferable to the term "appropriate party". The Proposed Standard has many instances where it is unclear as to whether the appropriate party can be the engaging party or responsible party, and inconsistency in usage of the terms within the Proposed Standard may create confusion for both the practitioner and the parties to the engagement with respect to who is ultimately responsible and for what. Examples to assist practitioners in the determination of an appropriate responsible party would facilitate both consistency in practice and in how independence is evaluated.

We believe that written representations from all parties to the engagement is important to attestation engagements, and therefore it would be clearer to specifically indicate which required representations are relevant to the different parties.

Ernst & Young LLP - We note that the proposed changes refer to the appropriate party rather than the responsible party and recommend that the language used in the clarified standards remain and that the appropriate parties be referred to as the responsible party and the engaging party in any final standard.

Action Requested of the ARSC

The ARSC is asked to consider the use of the term *appropriate party* in the proposed revised SSAE and provide its feedback and input in order to provide direction to the Task Force in its development of an issues paper to be discussed by the ASB at its January 2019 meeting.

Agenda Items Presented:

Agenda item 2A Exposure Draft proposed SSAE, *Revisions to Statement on Standards for Attestation Engagements No. 18*, Attestation Standards: Clarification and Recodification

Consideration of Project to Revise AT-C sections 210 and 215

Discussion Memorandum

ARSC Meeting, November 13-15, 2018

Agenda item 2B Summary of responses to the exposure draft of the proposed SSAE, *Revisions to Statement on Standards for Attestation Engagements No. 18*, Attestation Standards: Clarification and Recodification