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Dear Mr Billing

Proposal to adopt in the (UK) ISAE 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

Grant Thornton UK LLP (Grant Thornton) welcomes the opportunity to comment on the Financial Reporting Council's (FRC) Proposal to adopt ISAE 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000' or 'the standard').

In principle, we are supportive of the adoption of ISAE 3000 with the proposed edits to reflect the FRC's Ethical Standard and the ethical pronouncements of professional bodies. The Consultation Paper and Impact Assessment proposes that ISAE 3000 be adopted for engagements for which there is a requirement in law or regulation for an assurance report to be provided by an auditor or other assurance practitioner, or where a clear need has been identified to serve the public interest. Firstly, we note the assertion that there are currently no assurance engagements for which law or regulation require an assurance report and secondly, there is currently no established definition of the public interest, or a framework by which to determine the engagements that would require an assurance report in the public interest. Therefore, it is unclear to which types of assurance engagements, the FRC intends the proposed standard to apply.

Previous experience has indicated that there is certain subject matter or certain criterion that do not lend themselves to an assurance engagement and which are better suited to other forms of engagement, such as an Agreed-Upon Procedures engagement. Absent clarification of the scope of engagements to which the standard applies, it is unclear whether the proposed application of ISAE 3000 would result in mandatory application to subject matter or to criteria to which the standard is not capable of being applied.

We set out our responses to the FRC's questions below:

Q1. Do you agree with the proposed adoption of ISAE 3000? If not, please explain why.

Subject to our comments above, we agree with the adoption of ISAE 3000.

Q2. Do you agree that ISAE (UK) 3000 should be mandated only for certain specific types of assurance engagements as described above, with voluntary application permitted for other assurance engagements; or should it be mandated for all assurance engagements for which the FRC has not issued specific performance standards? If the latter, please explain why.

We agree that ISAE (UK) 3000 should only be mandated for certain specific types of assurance engagements with voluntary application permitted for other assurance engagements. We are of the view, however, that the types of engagement to which the standard will apply should be carefully considered to ensure that ISAE (UK) 3000 is only mandated for those engagements to which it is capable of being applied.

Q3. Do you agree with the proposed adaptations to the text highlighted in the exposure draft? If not, please explain why and describe the changes you would wish to see.

We agree with the proposed adaptations to the text highlighted in the exposure draft.

Q4. Do you believe any further adaptations should be made? If yes, please explain them.

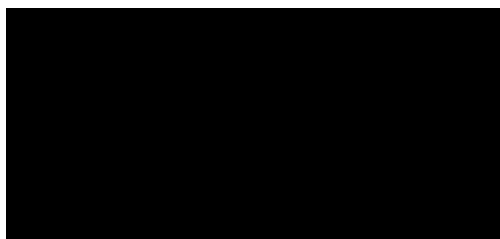
We do not believe that any further adaptations should be made.

Q5. Do you agree with the proposed effective date for assurance reports dated on or after 15 September 2020? If not, please explain what date would be appropriate.

We agree with the premise of being prepared for the possibility of mandatory assurance engagements, especially in light of recent reviews and recommendations. However, absent an understanding of the engagements to which this standard would be required to be applied, and the feasibility of such, it is not possible to determine an appropriate effective date.

We would be pleased to discuss those responses with you. If you have any questions, please contact me or Sara Ashton at sara.hm.ashton@uk.gt.com or at +44 207 728 2236.

Yours sincerely



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