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Dear Ms Kelsall,

**Comments on Exposure Draft ED 01/10 Proposed Standard on Assurance Engagements
ASAE 3402 Assurance Reports on Controls at a Service Organisation**

We appreciate the opportunity to comment on the above mentioned Exposure Draft and to contribute to the continued improvement of the Australian Standards on Assurance Engagements.

We have one comment on the Exposure Draft regarding the scope of this Standard on Assurance Engagements.

Per paragraph 3 of the Exposure Draft, the scope of ASAE 3402 'applies only when the service organisation is responsible for, or otherwise able to make an assertion about, the suitable design of controls as they relate to financial reporting'. An emerging area in third party assurance is the requirement for a service auditor's report on controls that are not related to financial reporting, for example, controls a third party may apply over performance data or the collection and reporting of carbon data. We believe that by excluding controls that do not relate to financial reporting, there could be a missed opportunity to capture such engagements under this Standard. We would recommend expanding the scope of ASAE 3402, to include controls not related to financial reporting, or by offering an alternative standard for engagements of this nature.

We would be pleased to discuss our comments with you. Please contact Nicola Moran on (03) 8603 2330 or myself on (03) 8603 3649 should you require any further information.

Yours sincerely



Bill Edge
Partner
OneFirm Risk&Quality Leader

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