

CANADIAN STANDARD ON ASSURANCE ENGAGEMENTS CSAE 3530 attestation engagements to report on compliance

Basis for Conclusions

[CSQM 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements \(May 2022\)](#)

[CSAE 3530, Attestation Engagements to Report on Compliance and CSAE 3531, Direct Engagements to Report on Compliance \(March 2018\)](#)

(Effective for attestation engagements to report on management's statement of an entity's compliance when the practitioner's report is dated on or after April 1, 2019)

	Paragraph
<u>CONTENTS</u>	
<u>Introduction</u>	1-5
<u>Scope of this CSAE</u>	6-14
<u>Effective Date</u>	15-15A
<u>Objectives</u>	16
<u>Definitions</u>	17
<u>Requirements</u>	
<u>Conduct of the Engagement in Accordance with CSAEs</u>	18-19
<u>Acceptance and Continuance</u>	20-21
<u>Planning and Performing the Engagement</u>	22-27
<u>Obtaining Evidence</u>	28-31
<u>Forming the Assurance Conclusion</u>	32-34
<u>Preparing the Practitioner's Report on Compliance</u>	35-38
<u>Application and Other Explanatory Material</u>	
<u>Scope of this CSAE</u>	A1-A4
<u>Objectives</u>	A5
<u>Definitions</u>	A6-A8
<u>Acceptance and Continuance</u>	A9-A12
<u>Planning and Performing the Engagement</u>	A13-A24
<u>Obtaining Evidence</u>	A25-A31
<u>Forming the Assurance Conclusion</u>	A32-A35
<u>Preparing the Practitioner's Report on Compliance</u>	A36-A56
<u>Appendix: Illustrations of Practitioners' Reports on Compliance</u>	

Introduction

1. This Canadian Standard on Assurance Engagements (CSAE) deals with special considerations in the application of [CSAE 3000](#) 1 to reasonable assurance or limited assurance engagements to report on management's statement of an entity's compliance with agreements, specified authorities, or a provision thereof. The specific requirements established in agreements, by specified authorities, or a provision thereof against which compliance is measured and evaluated are referred to as specified requirements throughout this standard. (Ref: Para. [A1-A4](#))

2. Engagements to report on compliance with specified requirements may be either attestation engagements or direct engagements. The subject matter in an attestation engagement to report on compliance with specified requirements may be either financial or non-financial in nature.
3. In an attestation engagement to report on compliance with specified requirements, management of the entity prepares an explicit, written statement of the entity's compliance with specified requirements for an external party and the practitioner reports on this statement. For example, in an engagement to report on an entity's compliance with covenants in a banking agreement, management may prepare a statement for the bank reporting that covenants have been met. The practitioner:
 - (a) Obtains an understanding of the covenants in the banking agreement;
 - (b) Performs procedures on the information relevant to determining whether the entity has complied with the covenants; and
 - (c) Reports to the engaging party (normally the entity) or to the bank (at the request of the engaging party) on whether management's statement is fairly stated, in all material respects.

A representation from management to the practitioner on the entity's compliance with the covenants does not constitute an explicit, written statement of the entity's compliance with specified requirements.
4. On the other hand, in a direct engagement to report on compliance with specified requirements, management does not prepare an explicit, written statement of the entity's compliance with specified requirements for an external party. For example, the practitioner may be engaged by a government agency to report on whether a hospital has complied with hospital wait times established by the government. The practitioner:
 - (a) Obtains an understanding of the government's established wait times;
 - (b) Performs procedures to assess actual wait times; and
 - (c) Reports to the government agency.

Management's responsibility for managing wait times is not diminished in this scenario, and the practitioner would still obtain written representations from management on whether the entity has complied, in all significant respects, with the government requirements.
5. For a simple engagement to report on an entity's compliance with specified requirements, the procedures may not be significantly different between an attestation and a direct engagement. However, when the specified requirements are more complicated or complex, the practitioner's procedures may be substantially different.

Scope of this CSAE

6. This CSAE deals with attestation engagements to report on management's explicit written statement of an entity's compliance with specified requirements. [CSAE 3531](#) deals with direct engagements to report on an entity's compliance with specified requirements.²
7. Engagements under this CSAE may relate to a wide range of underlying subject matters. Examples of engagements that fall under the scope of this CSAE include reporting on management's statement of an entity's compliance with:
 - Requirements in a funding agreement specifying the purposes for which funding received by an entity must be spent;
 - Requirements in leasing agreements;
 - Covenants contained in loan agreements or bond indentures; and
 - Performance requirements set out in policy or legislation, such as hospital wait times established by a government agency or body.
8. In some cases, it may not be clear whether the purpose of the engagement is for the practitioner to report whether management's statement of the entity's compliance with specified requirements is fairly stated, or to report whether historical financial information in management's statement has been prepared in accordance with an applicable financial reporting framework. The practitioner may need to consider the purpose of the engagement, and the needs of the entity and the users of the practitioner's report, before concluding whether the engagement is an attestation compliance reporting engagement that should be conducted under this CSAE.
9. When the practitioner is engaged to express an audit opinion or a review conclusion on whether financial information has been prepared, in all material respects, in accordance with an applicable framework, the practitioner would follow the requirements of the Canadian Auditing Standards (CASs), including the special considerations addressed in [CAS 805](#)³ or [CSRE 2400](#),⁴ when auditing or reviewing such information. Both CAS 805 and CSRE 2400 apply to historical financial information. Therefore, it would not be appropriate to follow those standards when reporting on a statement of compliance with specified requirements.
10. Management may, for example, prepare a statement of net current assets, calculated according to a financial reporting framework as set out in a covenant in a lending agreement. Depending on the needs of the entity and the users of the practitioner's report, the practitioner may conclude that the purpose of the engagement is either to report whether:
 - (a) Management's statement of the entity's compliance with the covenant is fairly stated, which is a compliance engagement conducted under this CSAE; or

- (b) Management's statement of net current assets has been prepared in accordance with the applicable financial reporting framework set out in the lending agreement, which is not a compliance engagement under this CSAE and would be conducted in accordance with the CASs or [CSRE 2400](#).
- 11. A practitioner may be engaged to perform an assurance engagement to report on the entity's internal controls over compliance (for example, whether those controls were operating effectively over a specified period or were appropriately designed and implemented at a point in time). Such an engagement would be outside the scope of this CSAE and is addressed in [CSAE 3000](#). Section [5925](#), 5 adapted as necessary, may also provide guidance where applicable, when performing such engagements.
- 12. A practitioner may be engaged to report the findings from performing agreed-upon procedures. Such an engagement is not an assurance engagement and is addressed in [CSRS 4400](#). 6

Relationship with CSAE 3000

- 13. When performing an attestation engagement within the scope of this CSAE, in addition to complying with this CSAE, the practitioner is required to comply with [CSAE 3000](#). This CSAE supplements, but does not replace, CSAE 3000, and expands on how CSAE 3000 is to be applied in an engagement to report on management's statement of the entity's compliance with specified requirements.
- 14. [CSAE 3000](#) is applicable to all attestation engagements that fall within the scope of this CSAE and provides requirements and application material for topics not specifically addressed in this CSAE, including:
 - (a) Ethical requirements;
 - (b) Quality management;
 - (c) Professional skepticism, professional judgment, and assurance skills and techniques;
 - (d) Using the work of a practitioner's expert;
 - (e) Using the work of another practitioner, an entity's expert or an internal auditor;
 - (f) Subsequent events;
 - (g) Reporting when the entity's management has identified and properly described that the subject matter information is materially misstated; and
 - (h) Documentation.

Effective Date

- 15. This CSAE is effective for attestation engagements to report on management's statement of an entity's compliance when the practitioner's report is dated on or after April 1, 2019.
- 15A. The issuance of [CSQM 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements](#), gave rise to conforming amendments in paragraph [35](#). Paragraph 35 is effective for engagements beginning on or after December 15, 2022.

Objectives

- 16. In providing assurance on management's statement of an entity's compliance with specified requirements as at a point in time, or for a specified period of time, the objectives of the practitioner are to:
 - (a) Obtain either reasonable assurance or limited assurance, as appropriate, about whether management's statement of an entity's compliance with specified requirements is free from material misstatement; and
 - (b) Express a conclusion that conveys either reasonable assurance or limited assurance on the matter noted in (a) in accordance with the practitioner's findings. (Ref: Para. [A5](#))

Definitions

- 17. For purposes of this CSAE, the following terms have the meanings attributed below:
 - (a) Agreements – Written arrangements between the entity and a third party including agreements, contracts or memoranda of understanding, containing requirements with which the entity must comply.
 - (b) Criteria – The benchmarks used to measure or evaluate the entity's compliance with specified requirements.
 - (c) Internal control over compliance – An entity's internal control to manage the risk of non-compliance with specified requirements. (Ref: Para. [A6](#))
 - (d) Management's statement of compliance – The outcome of management's evaluation of the entity's compliance with the specified requirements, provided to the user of the practitioner's report, including an explicit written statement of compliance. Management's statement of compliance is the subject matter information in an attestation engagement to report on compliance. (Ref: Para. [A7](#))
 - (e) Misstatement – A difference between management's statement of compliance and the practitioner's evaluation of the entity's compliance with specified requirements. (Ref: Para. [A8](#))
 - (f) Non-compliance – An instance of a failure by the entity to meet a specified requirement in whole or in part.
 - (g) Relevant parties – The parties involved in an assurance engagement. Typically, this will include the user of the practitioner's report (who, in some circumstances, may be a regulator), the practitioner and the entity's management, although these parties may be referred to using different terms.

- (h) Significant interpretation – An interpretation of the specified requirements necessary to enable the practitioner to conduct the engagement on management's statement of the entity's compliance. An interpretation is significant if a different interpretation could be made that would change the practitioner's conclusion.
- (i) Specified authorities – Legislation, regulations, orders-in-council, directives, municipal bylaws, corporate bylaws and other instruments through which powers are established and delegated. This term is commonly used in the public sector.
- (j) Specified requirements – The specific requirements established in agreements, by specified authorities, or a provision thereof, with which the entity is required to comply.

Requirements

Conduct of the Engagement in Accordance with CSAEs

18. The practitioner shall not represent compliance with this CSAE unless the practitioner has complied with the requirements of this CSAE and any other CSAE relevant to the engagement.

Complying with Relevant Requirements

19. The practitioner shall comply with each requirement of this CSAE unless, in the circumstances of the engagement, the requirement is not relevant because it is conditional and the condition does not exist. Requirements that apply to only limited assurance engagements or reasonable assurance engagements have been presented in a columnar format with the letter "L" (limited assurance) or "R" (reasonable assurance) after the paragraph number. Although some procedures are required only for reasonable assurance engagements, nonetheless, they may be appropriate in some limited assurance engagements.

Acceptance and Continuance

20. Before accepting an engagement to report on management's statement of an entity's compliance with specified requirements, the practitioner shall, on the basis of a preliminary knowledge of the engagement circumstances and discussion with the appropriate party(ies), determine whether:
- (a) The roles and responsibilities of the relevant parties are suitable in the circumstances; (Ref: Para. [A9-A10](#))
 - (b) The underlying subject matter is within the professional expertise of the engagement team; and (Ref: Para. [A11](#))
 - (c) The specified requirements comprise criteria or can be used as the basis for developing criteria.
21. If the practitioner determines that the specified requirements require significant interpretation, prior to accepting the engagement, the practitioner shall consider the likelihood of being able to:
- (a) In consultation with relevant parties, develop the necessary interpretation; and
 - (b) Seek acknowledgment from management that the interpretation is suitable.
- If it is unlikely that the practitioner will meet (a) and (b) above, the practitioner shall not accept the engagement, unless required by law or regulation to do so. (Ref: Para. [A12](#))

Planning and Performing the Engagement

Materiality

22. The practitioner shall consider materiality when:
- (a) Determining the nature, timing and extent of procedures; and
 - (b) Evaluating whether an instance of non-compliance is material. (Ref: Para. [A13-A15](#))

Understanding the Entity and Its Environment and the Specified Requirements

Limited Assurance	Reasonable Assurance
<p>23L. The practitioner shall obtain an understanding of the entity and its environment and the specified requirements, sufficient to:</p> <ul style="list-style-type: none"> (a) Enable the practitioner to identify areas where material non-compliance with the specified requirements is likely to arise; and (b) Provide a basis for designing and performing procedures to address the areas identified in paragraph 23L(a) and to obtain limited assurance to support the practitioner's conclusion. (Ref: Para. A18-A20, A24) 	<p>23R. The practitioner shall obtain an understanding of the entity and its environment and the specified requirements, sufficient to:</p> <ul style="list-style-type: none"> (a) Enable the practitioner to identify and assess the risks of material non-compliance with the specified requirements; and (b) Provide a basis for designing and performing procedures to respond to the assessed risks and to obtain reasonable assurance to support the practitioner's conclusion. (Ref: Para. A16-A20, A24)

24. In obtaining an understanding of the entity and its environment and the specified requirements, the practitioner shall make inquiries concerning how management measures and evaluates the entity's compliance with the specified requirements.

Criteria

25. The practitioner shall identify or develop the necessary criteria. (Ref: Para. [A21](#))

Significant Interpretation

26. When the practitioner determines that the specified requirements require significant interpretation, the practitioner shall:
- In consultation with relevant parties, develop the necessary interpretation; and
 - Seek acknowledgment from management that the interpretation is suitable. (Ref: Para. [A22](#))
- If the practitioner cannot develop the necessary interpretation or obtain acknowledgment from management, the practitioner shall take appropriate actions, as required by [CSAE 3000](#). 7
27. When the specified requirements require significant interpretation, the practitioner shall evaluate the consistency between periods in the application of the interpretation of the specified requirements made by management. (Ref: Para. [A23](#))

Obtaining Evidence

Risk Consideration and Responses to Risks

Limited Assurance	Reasonable Assurance
<p>28L. Based on the practitioner's understanding (see paragraph 23L), the practitioner shall:</p> <ol style="list-style-type: none"> Identify areas where material non-compliance with the specified requirements is likely to arise; and Design and perform procedures to address the areas identified in paragraph 28L(a) and to obtain limited assurance to support the practitioner's conclusion. (Ref: Para. A25-A26) 	<p>28R. Based on the practitioner's understanding (see paragraph 23R), the practitioner shall:</p> <ol style="list-style-type: none"> Identify and assess the risks of material non-compliance with the specified requirements; and Design and perform procedures to respond to the assessed risks and to obtain reasonable assurance to support the practitioner's conclusion. (Ref: Para. A25-A26)

Obtaining Sufficient Appropriate Evidence

29. The practitioner shall obtain sufficient appropriate evidence on which to base a conclusion. (Ref: Para. [A27-A30](#))
30. When reporting on management's statement of an entity's compliance with specified requirements as at a point in time or throughout a specified period of time, the practitioner shall evaluate activities performed by the entity to meet the specified requirements and assess the entity's compliance with specified requirements as at the point in time or throughout the specified period of time.

Written Representations

31. In addition to the written representations required by [CSAE 3000](#), 8 the practitioner shall request representations from management: (Ref: Para. [A31](#))
- Acknowledging management's responsibility for preparing the statement of the entity's compliance with the specified requirements;
 - Acknowledging management's responsibility for such internal control over compliance with the specified requirements as management determines is necessary;
 - Stating whether management has performed an evaluation of the entity's compliance with the specified requirements;
 - When applicable, stating management's responsibility for significant interpretation of the specified requirements and management's acknowledgment that the interpretation is suitable;
 - Stating whether the entity is in compliance with the specified requirements;
 - Stating that management has disclosed any communications from legislative authorities or counterparties to agreements concerning possible non-compliance with the specified requirements, including communications received between the end of the period addressed in the written statement and the date of the practitioner's report; and
 - Stating that management has disclosed any known non-compliance with the specified requirements occurring during the period or subsequent to the period for which, or date as of which, management selects to make its statement.

Forming the Assurance Conclusion

32. The practitioner shall evaluate the sufficiency and appropriateness of the evidence obtained. If the practitioner becomes aware of a matter that leads the practitioner to question whether material non-compliance exists, the practitioner shall perform further procedures sufficient to enable the practitioner to form a conclusion. (Ref: Para. [A32-A33](#))
33. As soon as practicable, the practitioner shall make management aware of material non-compliance that has come to the practitioner's attention. (Ref: Para. [A34](#))
34. The practitioner shall form a conclusion about whether management's statement of the entity's compliance with the specified requirements is fairly stated, in all material respects. (Ref: Para. [A35](#))

Preparing the Practitioner's Report on Compliance

Content of the Practitioner's Report on Compliance

35. The practitioner's report on compliance shall include, at a minimum, the following basic elements:

- (a) A title that clearly indicates that the practitioner's report is an independent practitioner's assurance report.
- (b) An addressee. (Ref: Para. [A36](#))
- (c) An identification or description of the level of assurance obtained by the practitioner.
- (d) Identification or description of the specified requirements and significant interpretations, if any, including the point in time or period of time to which the measurement or evaluation of compliance relates. (Ref: Para. [A37](#)-[A38](#))
- (e) A description of management's responsibility to measure and evaluate the entity's compliance with the specified requirements and for its statement of the entity's compliance with the specified requirements.
- (f) A description of the practitioner's responsibility to express a reasonable assurance opinion or a limited assurance conclusion on management's statement of the entity's compliance with the specified requirements.
- (g) A statement that:
 - (i) The engagement was performed in accordance with this CSAE; and
 - (ii) This CSAE requires that the practitioner plan and perform the engagement to obtain either reasonable assurance or limited assurance about whether management's statement of the entity's compliance with specified requirements is fairly stated, in all material respects.
- (h) An informative summary of the work performed as a basis for the practitioner's conclusion. (Ref: Para. [A39](#)-[A43](#))
In the case of a limited assurance engagement, an appreciation of the nature, timing and extent of procedures performed is essential to understanding the practitioner's conclusion. In a limited assurance engagement, the summary of the work performed shall state that:
 - (i) The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and
 - (ii) Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
- (i) In a reasonable assurance engagement, a statement that the practitioner believes the evidence obtained is sufficient and appropriate to provide a basis for the practitioner's opinion.
- (j) A statement that the firm of which the practitioner is a member applies [CSQM 1](#), 9 or other professional requirements, or requirements in law or regulation, that are at least as demanding as CSQM 1. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as CSQM 1.
- (k) A statement that the practitioner complies with the independence and other ethical requirements of relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, or other professional requirements, or requirements imposed by law or regulation, that are at least as demanding. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements imposed by law or regulation, applied that are at least as demanding.
- (l) A statement that the practitioner does not provide a legal opinion of the entity's compliance with the specified requirements. (Ref: Para. [A44](#))
- (m) The practitioner's conclusion: (Ref: Para. [A45](#)-[A46](#))
 - (i) In a reasonable assurance engagement, the conclusion shall be expressed in a positive form.
 - (ii) In a limited assurance engagement, the conclusion shall be expressed in a form that conveys whether, based on the procedures performed and evidence obtained, a matter has come to the practitioner's attention to cause the practitioner to believe that management's statement that the entity has complied with the specified requirements is not fairly stated, in all material respects.
 - (iii) The conclusion in (i) or (ii) shall be phrased in terms of whether management's statement of the entity's compliance with the specified requirements is fairly stated, in all material respects.
- (n) A statement alerting readers to the fact that management's statement of compliance is designed for a specific purpose and that, as a result, the statement may not be suitable for another purpose. (Ref: Para. [A47](#))
- (o) The practitioner's signature.
- (p) The date of the practitioner's report, which shall be no earlier than the date on which the practitioner has obtained the evidence on which the practitioner's conclusion is based, including evidence that those with the recognized authority have asserted that they have taken responsibility for management's statement of the entity's compliance with the specified requirements.
- (q) The location in the jurisdiction where the practitioner practices.

Practitioner's Report Prescribed by Law or Regulation

36. In some cases, law or regulation prescribes the layout or wording of the practitioner's report. In these circumstances, the practitioner shall consider the substance and wording prescribed and, when necessary, shall make appropriate changes. (Ref: Para. [A52](#))

Modified Conclusions

37. The practitioner shall express a modified conclusion when the practitioner concludes that:
- The entity has not complied, in all material respects, with the specified requirements;
 - Management's statement is materially misstated; or
 - A scope limitation exists and the effect of the matter could be material. (Ref: Para. [A53](#))
38. The practitioner shall describe the matter giving rise to the modification in the practitioner's report on compliance and the practitioner's conclusion shall be modified in accordance with [CSAE 3000](#). (Ref: Para. [A54-A56](#))

Application and Other Explanatory Material

Scope of this CSAE (Ref: Para. 1-14)

- A1. Attestation engagements to report on compliance with specified requirements are conducted in both the private and public sectors. In either case, the engaging party will usually be the entity responsible for complying with the specified requirements that are the subject of the engagement.
- A2. The practitioner is not required to have been engaged to report on the financial statements of the entity in order to conduct an engagement in accordance with this CSAE. Also, this CSAE does not affect the practitioner's responsibility in an audit of financial statements performed in accordance with Canadian Auditing Standards (CASs), in particular, the need to meet the requirements in [CAS 250](#). 10

Considerations Specific to Engagements in the Public Sector

- A3. Auditors of public sector entities, such as those of federal, provincial and municipal governments, may be required by their mandates to express an opinion on whether an entity complied with specified authorities or whether its transactions were carried out in compliance with specified authorities. Under such mandates, the identification of specific authorities to be complied with and the selection of matters to be examined could be at the discretion of the practitioner. As a result, in fulfilling their mandates, practitioners need to determine whether to follow this CSAE or [CSAE 3531](#).
- A4. Auditors of public sector entities may also be required to express an assurance opinion on whether the transactions that have come to their notice in the course of discharging their other audit responsibilities were carried out in compliance with specified authorities. These engagements are addressed in [AuG-49](#). 11

Objectives (Ref: Para. 16)

- A5. The practitioner may be asked to provide assurance on management's statement of an entity's compliance with specified requirements as at a point in time (for example, as at the year-end of the entity). Alternatively, the engagement may cover a period of time (for example, the fiscal year of the entity). In some cases, the period covered may differ from that of the audit or review of the financial statements of the entity.

Definitions (Ref: Para. 17)

- A6. An entity's internal control over compliance is the process by which management obtains assurance of the entity's compliance with the specified requirements. Although management's internal control may include a wide variety of objectives and related policies and procedures, only some of these may be relevant to an entity's compliance with the specified requirements. An entity's internal control over compliance may vary based on the nature, extent and complexity of the specified requirements. For example, internal control over compliance with a capital requirement would generally include accounting procedures, whereas internal control over compliance with a requirement to practice non-discriminatory hiring may not include accounting procedures.
- A7. Management may prepare a report to demonstrate the entity's compliance. For example, management may prepare a schedule showing the entity's actual financial ratios compared to the financial ratios required by a lending agreement. This schedule, by itself, does not constitute management's written statement of compliance for the purpose of this CSAE. Such a schedule would also need to be accompanied by a written statement from management that the entity complied with the specified requirements.
- A8. A misstatement can be quantitatively or qualitatively material, either individually or when aggregated with other misstatements.

Acceptance and Continuance (Ref: Para. 20-21)

- A9. In an engagement letter, a written acknowledgment is the most appropriate form of documenting a mutual understanding of the respective responsibilities of management and the practitioner regarding compliance with the specified requirements. In the absence of a written acknowledgment by management, it may still be appropriate for the practitioner to accept the engagement if other sources, such as legislation or a contract, indicate the entity's responsibility. In other cases, it may be appropriate to decline the engagement, or to disclose the circumstances in the practitioner's report, depending on the circumstances.

- A10. In some cases, the prescribed form may be designed in such a way that management is unable to add its written statement of compliance. For example, the third party may require management to submit information electronically and management is unable to modify the form. In such cases, the practitioner may not be able to accept an attestation engagement to report on management's statement of compliance, but may be able to undertake a direct engagement to report on compliance under [CSAE 3531](#).
- A11. Reports on compliance with specified requirements are different from reports on financial statements or other historical financial information and may require professional expertise other than that required to perform an audit or review of financial statements or other historical financial information. Engagements to report on compliance with specified requirements would be accepted only when the specified requirements to be reported on deal with matters within the practitioner's professional expertise.
- A12. Evaluating compliance with the specified requirements may require interpretation of the agreement, specified authority, or a provision thereof that establish those requirements. If an interpretation is significant, the practitioner is required by paragraph [35\(d\)](#) to include a paragraph in the practitioner's report on compliance describing the interpretation.

Planning and Performing the Engagement

Materiality (Ref: Para. [22](#))

- A13. The practitioner applies the same considerations in both limited assurance and reasonable assurance engagements regarding what represents material non-compliance, since such judgments are not affected by the level of assurance.
- A14. The practitioner's consideration of materiality is affected by:
- (a) The nature of the specified requirements, which may or may not be quantifiable in monetary terms;
 - (b) Qualitative considerations, including the needs and expectations of the report's users and the practitioner's perception of the common information needs of intended users as a group; and
 - (c) Matters encountered during the course of the engagement that may give rise to a need to reconsider materiality.
- A15. Materiality is normally considered in the context of quantitative and qualitative factors, such as the following:
- The relative magnitude of instances of detected or suspected non-compliance;
 - The nature and extent of the effect of these factors on the evaluation of compliance with the specified requirements; and
 - The interests of the intended users.

The assessment of materiality and the relative importance of quantitative and qualitative factors in a particular engagement are matters for the practitioner's professional judgment.

Understanding the Entity and Its Environment and the Specified Requirements (Ref: Para. [23L-24](#))

- A16. The practitioner obtains an understanding of the entity and its environment and the specified requirements that is sufficient to assess the risks that the entity is materially non-compliant with the specified requirements.
- A17. For a reasonable assurance engagement, [CSAE 3000](#) requires the practitioner to obtain an understanding of internal control over the preparation of the subject matter information relevant to the engagement. In a reasonable assurance compliance reporting engagement, the practitioner obtains an understanding of the entity's process for ensuring compliance, including controls in place and whether those controls are preventive or detective in nature, and manual or automated.
- A18. In obtaining an understanding of the specified requirements, the practitioner may consider the following:
- Agreements or specified authorities that pertain to the specified requirements, including published requirements;
 - Knowledge about the specified requirements obtained through prior engagements and regulatory reports;
 - Knowledge about the specified requirements obtained through discussions with appropriate individuals within the entity (for example, the chief financial officer, internal auditors, legal counsel, compliance officer, or grant or contract administrators); and
 - Knowledge about the specified requirements obtained through discussions with appropriate individuals outside the entity (for example, a regulator). This may include reviewing reports of examinations, if any, relevant to the engagement and related communications between the relevant parties.
- A19. In some cases, the specified requirements with which the entity is required to comply represent only a portion of an agreement or specified authority. The practitioner's understanding of the specified requirements is intended to enable the practitioner to identify which aspect of the agreement or specified authority is applicable to the engagement.
- A20. Obtaining an understanding of the specified requirements is an essential part of planning and performing the compliance engagement. That understanding provides the practitioner with a frame of reference for exercising professional judgment throughout the compliance engagement, for example, when:
- Identifying when special consideration may be necessary, such as factors indicative of fraud and the need for specialized skills or the work of an expert;
 - Establishing and evaluating the continued appropriateness of quantitative materiality levels, when appropriate, and considering qualitative materiality factors;

- Designing and performing further procedures to obtain sufficient appropriate evidence; and
- Evaluating evidence, including the reasonableness of management's oral and written representations.

Criteria and Significant Interpretation (Ref: Para. 25-27)

- A21. In some cases, criteria may not have been specified by the agreement or specified authorities and management may not have developed criteria when measuring or evaluating the entity's compliance. In such cases, the practitioner may need to develop criteria.
- A22. When the practitioner develops a significant interpretation that is specific to the engagement, it is desirable for relevant parties, including intended users, to acknowledge that the specifically developed significant interpretation is suitable for their purposes. The practitioner may ask the relevant parties, including the intended users, to assist in developing the interpretation.
- A23. Circumstances may arise when there is a change in criteria or in a significant interpretation from that used in an immediately preceding engagement to report on management's statement of an entity's compliance with the specified requirements. If such a change has been appropriately applied, and if such a change is adequately disclosed in management's statement of compliance, this change does not give rise to a need to express a modified opinion.

Considerations Specific to Engagements in the Public Sector

- A24. Governments and other entities in the public sector may be subject to the provisions of numerous authorities. In understanding the entity in the public sector and its environment, the practitioner may require knowledge of, and familiarity with, the authorities that apply to the entity, and the transactions for which it is responsible. Because the wording of these authorities may be subject to differing interpretation, the practitioner may wish to obtain independent legal advice, particularly when there is reason to believe that authorities are being misinterpreted or that subordinate authorities do not adhere to the directions or limits prescribed by enabling legislation.

Obtaining Evidence

Risk Consideration and Responses to Risks (Ref: Para. 28L-28R)

- A25. In understanding the specified requirements, the practitioner identifies and assesses the risks of material non-compliance. In a simple engagement, this risk assessment may not be onerous. Further, if the practitioner is also responsible for the audit or review of the entity's historical financial statements, the practitioner may be able to use evidence obtained during that engagement regarding risks of material non-compliance for purposes of this compliance engagement.
- A26. In performing the risk assessment for a reasonable assurance engagement or, for a limited assurance engagement, identifying areas where material non-compliance with the specified requirements is likely to arise, the practitioner may consider the following factors:
- The nature of the specified requirements. Certain information may be more susceptible to misstatement (for example, when estimates must be made, when compliance is subjective versus objective or when information is complex versus simple).
 - Whether the entity has been subject to the specified requirements for a number of years. In the first year of reporting compliance with specified requirements, the risk of misstatement may be higher.
 - The risk that management asserts compliance with the specified requirements when this is not the case. This misstatement by management may be accidental or intentional.
 - The extent to which the risk of fraud is relevant to the engagement.
 - Indicators of possible management bias, whether intentional or unintentional.

Obtaining Sufficient Appropriate Evidence (Ref: Para. 29-30)

- A27. In a limited assurance engagement to report on compliance with specified requirements, the nature, timing and extent of the practitioner's evaluation of activities undertaken to meet the specified requirements are ordinarily limited to discussion with the entity's personnel. In certain situations, the practitioner may also observe the system in operation and reperform an appropriate number of instances of material activities to identify any non-compliance.
- A28. Paragraph 28R requires the practitioner to design and perform procedures to respond to the assessed risks and to obtain reasonable assurance to support the practitioner's conclusion. In a reasonable assurance engagement to report on compliance with specified requirements, the practitioner may intend to rely on controls. CSAE 3000 requires the practitioner to obtain sufficient appropriate evidence as to the operating effectiveness of controls. 13 Procedures performed may also include inquiries of the entity's personnel about activities undertaken to meet the specified requirements, and inspection of a sample of records or documents related to activities undertaken to meet the specified requirements.
- A29. The emphasis placed on the nature of various procedures as a source of evidence will likely differ, depending on the engagement circumstances. For example, the practitioner may judge it to be appropriate in the circumstances of a particular limited assurance engagement to place relatively greater emphasis on indirect evaluation of the entity's activities, such as inquiries of the entity's personnel, and relatively less emphasis on observation, reperformance or inspection, than may be the case for a reasonable assurance engagement.
- A30. If the practitioner is also responsible for the audit or review of the entity's historical financial statements, the practitioner may also consider the potential effect of non-compliance on the historical financial statements. If considered material,

the practitioner may need to extend the engagement to report on compliance with the specified requirements to determine whether the non-compliance results in historical financial statements that are misleading.

Written Representations (Ref: Para. 31)

- A31. If management does not provide the requested representations, the practitioner may not have sufficient evidence to support the practitioner's conclusion. The practitioner is required by [CSAE 3000](#) to take appropriate actions (which may include expressing a qualified conclusion, disclaiming a conclusion, or withdrawing from the engagement, where withdrawal is possible under law or regulation). 14

Forming the Assurance Conclusion (Ref: Para. 32-34)

Evaluation and Communication of Material Non-compliance

- A32. The particular circumstances of the engagement are relevant to the practitioner's use of professional judgment in evaluating the materiality of non-compliance.
- A33. In evaluating any non-compliance, the following are relevant:
- (a) Any legislative, regulatory, contractual or other requirements that may apply; and
 - (b) The effect of such non-compliance on the decisions of the intended users of the compliance report and the practitioner's conclusion.
- A34. The practitioner's communications with management may be made orally or in writing. The practitioner's decision whether to communicate orally or in writing is affected by factors including the following:
- The size, operating structure, legal structure and communications process of the entity;
 - The nature, sensitivity and significance of matters to be communicated;
 - The arrangements made with respect to periodic meetings or reporting of findings from the engagement; and
 - The extent of ongoing contact and dialogue the practitioner has with the entity.

Forming a Conclusion on Management's Statement

- A35. In some cases, the entity has complied with the specified requirements but management's statement is misstated. For example, in the case of a ratio that is required to be above 2.0:1, management may state that the entity's ratio is 3.0:1. However, the practitioner has determined the ratio to be 2.1:1. In such cases, the practitioner uses professional judgment to determine how to report. This may include considering the potential impact on users and whether the information is false or misleading. 15

Preparing the Practitioner's Report on Compliance

Content of the Practitioner's Report on Compliance (Ref: Para. 35)

Addressee (Ref: Para. 35(b))

- A36. An addressee identifies the party or parties to whom the practitioner's report on compliance is directed. An assurance report is ordinarily addressed to the engaging party, but in some cases, there may be other intended users. The practitioner may need to refer to the agreement, or inquire of relevant parties, to determine the appropriate addressee for the practitioner's report on compliance.

Identification of the Specified Requirement (Ref: Para. 35(d))

- A37. The amount of detail provided by the practitioner in identifying the specified requirements and the significant interpretation, if any, will depend on the circumstances. For example, if a specified requirement is to maintain a minimum amount of working capital, it may not be necessary to identify that amount in the report. However, if the requirement is subjectively worded to "maintain adequate working capital," including the interpretation of "adequate" in the report provides more relevant information to the users of the report.
- A38. The practitioner may also, but is not required to, disclose criteria used to measure or evaluate the entity's compliance with the specified requirements in the practitioner's report.

Informative Summary (Ref: Para. 35(h))

- A39. The informative summary of work performed helps the intended users understand the level of assurance provided by the practitioner's report on compliance. The summary may consist of a generic description explaining what a reasonable assurance or a limited assurance compliance reporting engagement normally entails, rather than a detailed list of procedures performed.
- A40. In a reasonable assurance engagement, the practitioner's compliance report normally follows standard wording and only briefly describes procedures performed. This is because describing in any level of detail the specific procedures performed would not help users understand that, in all cases where an unmodified report is issued, sufficient appropriate evidence has been obtained to enable the practitioner to express an opinion. For example, the practitioner's compliance report may include explanations of:
- The level of assurance provided by a reasonable assurance engagement.
 - How instances of non-compliance may arise and how the practitioner considers their materiality.
 - The practitioner's use of professional judgment to determine the nature, timing and extent of procedures selected.

However, the practitioner may choose, depending on the circumstances of the particular engagement, to include a more detailed description of procedures performed.

- A41. In a limited assurance engagement, an appreciation of the nature, timing and extent of procedures performed is essential for the intended users to understand the conclusion expressed in a form that conveys whether, based on the procedures performed, a matter has come to the practitioner's attention to cause the practitioner to believe that management's statement of the entity's compliance with the specified requirements is not fairly stated, in all material respects. For example, the practitioner's compliance report may include explanations of:

- The types of procedures typically performed in a limited assurance engagement.
- The practitioner's use of professional judgment to determine the procedures performed.

As a result, the description of the practitioner's procedures in a limited assurance compliance reporting engagement may be more detailed than in a reasonable assurance compliance reporting engagement.

- A42. When the practitioner decides to provide additional details regarding the procedures performed, factors the practitioner may consider in determining the level of detail to be provided include, for example:

- Specific engagement circumstances affecting the nature and extent of the procedures performed.
- The intended users' expectations of the level of detail to be provided in the report, based on common practice.

- A43. In describing the procedures performed, it is important that the summary is not ambiguous or implies that more assurance has been obtained than is actually the case. It is also important that the description of the procedures not give the impression that a specified auditing procedures engagement has been undertaken, and in most cases will not detail the entire work plan.

Not a Legal Opinion (Ref: Para. [35\(l\)](#))

- A44. In performing the engagement under this CSAE, because the practitioner is not an expert in legal matters, the practitioner is not in a position to make legal interpretations of the specified requirements. Therefore, the practitioner does not provide a legal opinion on the entity's compliance.

Practitioner's Conclusion (Ref: Para. [35\(m\)](#))

- A45. [CSAE 3000](#) requires the practitioner's conclusion to be phrased using appropriate words for the underlying subject matter and applicable criteria given the engagement circumstances. 16 This conclusion is phrased in terms of:

- The underlying subject matter and the applicable criteria;
- The subject matter information and the applicable criteria; or
- A statement made by the appropriate party.

- A46. In the case of an attestation compliance engagement, this conclusion is phrased in terms of whether management's statement that the entity complied with the specified requirements is fairly stated, in all material respects. In an attestation compliance engagement, the practitioner does not report on whether the entity complied with the specified requirements. This is the conclusion in a direct compliance engagement that is addressed in [CSAE 3531](#).

Specific Purpose (Ref: Para. [35\(n\)](#))

- A47. The practitioner may indicate that the practitioner's report is intended solely for specific users and any intended restriction on the distribution or use of the report.

Other

- A48. [CSAE 3000](#) requires the practitioner, where appropriate, to include a description of any significant inherent limitations associated with the measurement or evaluation of the underlying subject matter against the applicable criteria. 17 In the case of compliance reporting engagements, the inherent limitations may be well understood by the intended users of the practitioner's compliance report. However, the practitioner may choose to make explicit reference to them in the practitioner's compliance report.

- A49. The practitioner's assurance report on compliance is usually issued separately but, in some cases, may be included in the practitioner's report accompanying the financial statements. [CAS 700](#) 18 and [CSRE 2400](#) 19 include requirements and guidance when the practitioner addresses other reporting responsibilities in the practitioner's report on the financial statements.

- A50. The practitioner is not required to use specific headings in the practitioner's report on compliance. However, the practitioner may choose to use headings to help readers understand the report.

- A51. The [Appendix](#) contains illustrations of practitioner's compliance reports incorporating the elements set out in paragraph [35](#).

Practitioner's Report Prescribed by Law or Regulation (Ref: Para. [36](#))

- A52. Information supplied by the entity to government authorities, trustees, insurers and other organizations may sometimes include a prescribed form of practitioner's report. Such reports may:

- Call for a certification of fact rather than an expression of opinion, or may call for an opinion on matters outside the scope of the practitioner's examination;
- Omit essential wording; or

- Be inappropriate in some other way.

Rather than making revisions to the report prescribed by law or regulation, it is preferable for the practitioner to attach an appropriately reworded report.

Modified Conclusions (Ref: Para. 37-38)

- A53. [CSAE 3000](#) establishes requirements and provides guidance regarding the issuance of modified conclusions.
- A54. The practitioner uses professional judgment to determine if non-compliance with the specified requirements is material but not pervasive or material and pervasive. Examples of qualified and adverse conclusions are:
- Qualified conclusion (an example for a material but not pervasive misstatement) — "Based on the procedures performed and the evidence obtained, except for the effect of the matter described in the Basis for Qualified Conclusion section of our report, management's statement that ABC Company complied with the specified requirements [list the requirements or refer to the requirements (for example, "the requirements listed in Attachment 1")], including the interpretation set out above during the period [date] to [date] [or "as at [date]"], is fairly stated, in all material respects."
 - Adverse conclusion (an example for a material and pervasive misstatement) — "Because of the significance of the matter described in the Basis for Adverse Conclusion section of our report, management's statement does not appropriately reflect ABC Company's compliance with the specified requirements [list the requirements or refer to the requirements (for example, "the requirements listed in Attachment 1")], including the interpretation set out above during the period [date] to [date] [or "as at [date]"]."
- A55. In some cases, the practitioner may also audit or review the entity's financial statements. If the practitioner's report on compliance containing a qualified or adverse conclusion on management's statement of the entity's compliance with the specified requirements is included in a document that also includes the practitioner's audit or review report on the entity's financial statements, the practitioner's compliance report may indicate that the effect of the non-compliance was considered on the audit or review report on the entity's financial statements. For example, the practitioner may include the following in the compliance report:
- "We considered the effect of these conditions on our audit [review] of the 20X1 financial statements. This report on ABC Company's statement of compliance with the specified requirements does not affect our audit [review] report dated [date of report] on those financial statements."
- A56. In some cases, the entity may not be in compliance with the specified requirements. However, management of the entity has properly identified and described such non-compliance in its statement of the entity's compliance with specified requirements. The practitioner is required to conclude whether management's statement is fairly stated. Although management's statement may be fairly stated, readers may misinterpret that the entity is in compliance with the specified requirements when this is not the case. The practitioner is required by [CSAE 3000](#) to express an unqualified conclusion and include an Emphasis of Matter paragraph in the practitioner's report referring to management's statement that identifies and properly describes that the entity is not in compliance with the specified requirements. 20 For example, the practitioner may include the following:
- "Without modifying our opinion, we draw attention to management's statement of ABC Company's compliance, which states that the Company is not in compliance with the specified requirements."

Appendix

(Ref: Para. [A51](#))

Illustrations of Practitioners' Reports on Compliance

- [Illustration 1](#): A practitioner's reasonable assurance report on management's statement that the entity complied with specified requirements established in a funding agreement.
- [Illustration 2](#): A practitioner's limited assurance report on management's statement that the entity complied with specified requirements established in a lending agreement.

Illustration 1

For purposes of this illustrative practitioner's report, the following circumstances are assumed:

- Reasonable assurance engagement of management's statement that ABC Company has complied with specified requirements established in a funding agreement with the Ministry of XYZ for the period from January 1, 20X1, to December 31, 20X1.
- Management has given the practitioner a written statement that the entity has complied with the specified requirements. The practitioner has attached this statement to the practitioner's report.
- No interpretations of the agreement were necessary.
- The entity is in compliance with the specified requirements for the period.
- The practitioner is issuing an unqualified opinion.
- The practitioner has chosen to use headings in the report.

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

To Ministry of XYZ:

We have undertaken a reasonable assurance engagement of the accompanying statement of ABC Company's compliance during the period January 1, 20X1, to December 31, 20X1, with the [identify the specified requirements] ("the specified requirements") established in Funding Agreement X dated October 30, 20X0.

Management's Responsibility

Management is responsible for measuring and evaluating ABC Company's compliance with the specified requirements of the Agreement and for preparing ABC Company's statement of compliance. Management is also responsible for such internal control as management determines necessary to enable ABC Company's compliance with the specified requirements.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on management's statement based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3530, *Attestation Engagements to Report on Compliance*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether management's statement is fairly stated, in all material respects.

Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about management's statement of the entity's compliance with specified requirements. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of material misstatement of management's statement, whether due to fraud or error, and involves obtaining evidence about management's statement.

[*The practitioner may insert a more detailed description of the nature, timing and extent of procedures performed that, in the practitioner's judgment, is important to the users' understanding of the basis for the practitioner's opinion 1] 2*

We believe the evidence we obtained is sufficient and appropriate to provide a basis for our opinion. Information relevant to ABC Company's compliance with the specified requirements set out in the Agreement is set out in management's statement of compliance.

Our Independence and Quality Management

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management [1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements](#), which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, management's statement that ABC Company complied with the specified requirements established in Funding Agreement X during the period January 1, 20X1, to December 31, 20X1, is fairly stated, in all material respects.

We do not provide a legal opinion on ABC Company's compliance with the specified requirements.

Purpose of Statement

Management's statement of compliance has been prepared to report to the Ministry of XYZ on ABC Company's compliance with the specified requirements established in the funding agreement. As a result, management's statement of compliance may not be suitable for another purpose.

[Practitioner's signature]

[Date]

[Practitioner's address]

Illustration 2

For purposes of this illustrative practitioner's report, the following circumstances are assumed:

- Limited assurance engagement of management's statement that ABC Company has complied with debt covenants with GHI Bank as at December 31, 20X1.
- Management has given the practitioner a written statement that ABC Company has complied with the debt covenants. This statement is supported by a schedule that demonstrates the entity's compliance with the debt covenants. The practitioner has attached the statement and the schedule to the practitioner's report.

- An interpretation of the lending agreement was necessary. The practitioner has set out the interpretation in a Note to the Report on Compliance.
- The entity is in compliance with the debt covenants.
- The practitioner is issuing an unqualified conclusion.
- Distribution and use of the report is restricted.
- The practitioner has chosen to use headings in the report.

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON COMPLIANCE

To GHI Bank

We have undertaken a limited assurance engagement of the accompanying statement of ABC Company's compliance, as at December 31, 20X1, with [identify the debt covenants] set out in the Lending Agreement dated January 1, 20X1, including the interpretation of the Lending Agreement set out in Note X to this report (collectively, "the debt covenants").

Management's Responsibility

Management is responsible for measuring and evaluating ABC Company's compliance with the debt covenants and for preparing ABC Company's statement of compliance. Management is also responsible for such internal control as management determines necessary to enable ABC Company's compliance with the debt covenants.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on management's statement based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standard on Assurance Engagements 3530, *Attestation Engagements to Report on Compliance*. This standard requires us to conclude whether anything has come to our attention that causes us to believe that management's statement that ABC Company complied with the specified requirements is not fairly stated, in all material respects.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement in management's statement of the entity's compliance with specified requirements are likely to arise.

[The practitioner may insert a more detailed description of the nature, timing and extent of procedures performed that, in the practitioner's judgment, is important to the users' understanding of the basis for the practitioner's conclusion. 3] 4

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Independence and Quality Management

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Management [1](#), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that management's statement that ABC Company complied with the debt covenants set out in the Lending Agreement, including the interpretation in Note X as at December 31, 20X1, is not fairly stated, in all material respects.

We do not provide a legal opinion on ABC Company's compliance with the debt covenants.

Purpose of Statement and Restriction on Distribution and Use of Our Report

Management's statement of compliance has been prepared to report to GHI Bank on ABC Company's compliance with the debt covenants set out in the Lending Agreement, including the interpretation in Note X. As a result, the report may not be suitable for another purpose. Our report is intended solely for ABC Company and GHI Bank and should not be distributed to or used by parties other than ABC Company or GHI Bank.

[Practitioner's signature]

[Date]

[Practitioner's address]

Footnotes

1. . [CSAE 3000, Attestation Engagements Other than Audits or Reviews of Historical Financial Information](#)
2. . [CSAE 3531, Direct Engagements to Report on Compliance](#)
3. . [CAS 805, Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement](#)
4. . [CSRE 2400, Engagements to Review Historical Financial Statements](#)
5. AN AUDIT OF INTERNAL CONTROL OVER FINANCIAL REPORTING THAT IS INTEGRATED WITH AN AUDIT OF FINANCIAL STATEMENTS, Section [5925](#)
6. . [CSRS 4400, Agreed-Upon Procedures Engagements](#)
7. CSAE 3000, paragraphs [42](#)-[43](#)
8. CSAE 3000, paragraphs [56](#)
9. [CSQM 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements](#)
10. . [CAS 250, Consideration of Laws and Regulations in an Audit of Financial Statements](#)
11. ASSURANCE AND RELATED SERVICES GUIDELINE [AuG-49](#), Reporting on Compliance with Specified Authorities for Transactions Coming to the Auditor's Notice during the Audit of Financial Statements
12. CSAE 3000, paragraph [47R](#)
13. CSAE 3000, paragraph [C48R](#)
14. CSAE 3000, paragraphs [60](#) and [66](#)
15. 15. [CSOA 5000, Use of the Practitioner's Communication or Name](#)
16. CSAE 3000, paragraph [C69\(l\)\(iv\)](#)
17. CSAE 3000, paragraph [C69\(e\)](#)
18. CAS 700, *Forming an Opinion and Reporting on Financial Statements*, paragraphs [43](#)-[45](#)
19. CSRE 2400, paragraph [102](#)
20. CSAE 3000, paragraph [77](#)
 1. *The procedures are to be summarized but not to the extent that they are ambiguous or described in a way that is overstated or embellished or that implies that more assurance has been obtained than is actually the case. It is important that the description of the procedures does not give the impression that a specified auditing procedures engagement has been undertaken, and in most cases will not detail the entire work plan.*
 2. In the final report, this explanatory paragraph will be deleted.
 3. *The procedures are to be summarized but not to the extent that they are ambiguous or described in a way that is overstated or embellished or that implies that reasonable assurance has been obtained. It is important that the description of the procedures does not give the impression that a specified auditing procedures engagement has been undertaken, and in most cases will not detail the entire work plan.*
 4. In the final report, this explanatory paragraph will be deleted.

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