

Brasília, Brazil, July 1st, 2019

International Auditing and Assurance Standards Board – IAASB
United States

Dear Sirs,

The Conselho Federal de Contabilidade - Federal Accounting Council (in English) – CFC is the national body of the accounting profession in Brazil that sets Brazilian Accounting Standards, regulate and supervise the profession and promotes continuing professional development.

The CFC has been active on the world scenario for over twenty years, participating in accounting discussions, through representations in international organizations such as IFAC, AIC, CILEA. The IASB Board and also IFAC Board currently have Brazilian members and the GLASS (Group Latin American Standard Setters) is chaired by a Brazilian.

Our responses to the questions included in the ED ISA 220 Revised are set out below.

- 1) Do you support the focus on the sufficient and appropriate involvement of the engagement partner (see particularly paragraphs 11–13 and 37 of ED-220), as part of taking overall responsibility for managing quality on the engagement? Does the proposed ISA appropriately reflect the role of other senior members of the engagement team, including other partners?

Response: We support the focus to the overall responsibility of the engagement partners. We believe additional guidance should be provided to other partners and other professionals being part of the engagement team including assurance seniors, managers and other specialists supporting (tax, technology, actuarial) as well as professionals in charge of allocating resources to the audit engagement

- 2) Does ED-220 have appropriate linkages with the ISQMs? Do you support the requirements to follow the firm's policies and procedures and the material referring to when the engagement partner may depend on the firm's policies or procedures?

Response: Yes. We support the linkages with the ED ISQMs.

- 3) Do you support the material on the appropriate exercise of professional skepticism in managing quality at the engagement level? (See paragraph 7 and A27–A29 of ED-220)

Response: Yes. However, the definition of professional skepticism needs further clarification.

- 4) Does ED-220 deal adequately with the modern auditing environment, including the use of different audit delivery models and technology?

Response: Yes. We support that the Application and Other Explanatory Material clarifies the definition of engagement team as modern auditing environment and a broadly definition of resources.

- 5) Do you support the revised requirements and guidance on direction, supervision and review? (See paragraphs 27–31 and A68–A80 of ED-220)

Response: Yes. However, we suppose that could be clarified the kind of communications that shall be reviewed. Depending on the engagement, this would request a large effort.

- 6) Does ED-220, together with the overarching documentation requirements in ISA 230, include sufficient requirements and guidance on documentation?

Response: Yes. We support that the requirements are appropriate.

- 7) Is ED-220 appropriately scalable to engagements of different sizes and complexity, including through the focus on the nature and circumstances of the engagement in the requirements?

Response: Yes. We believe that the Appendix to the Explanatory Memorandum should be added to the Implementation Material. Therefore, other implementation material and guidance are appreciated, especially for SMPs.

Sincerely yours,

Idésio da Silva Coelho Júnior
Technical Vice President