

The Chairman
Auditing and Assurance Standards Board
PO Box 204
Collins Street West
Melbourne Victoria 8007
AUSTRALIA
By Email: edcomments@auasb.gov.au

Grant Thornton Australia Limited
ABN 41 127 556 389

Level 17, 383 Kent Street
Sydney NSW 2000
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info@gtnew.com.au
W www.grantthornton.com.au

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Dear Merran

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

Grant Thornton Australia Limited (Grant Thornton) is pleased to comment on the Auditing and Assurance Standards Board's (AUASB) ED 01/10.

Grant Thornton's response reflects our position as auditors and business advisers both to listed companies and privately held companies and businesses.

Grant Thornton supports the release of a Standard on Assurance Engagements based on the proposals contained in ED 01/10, which we note is consistent with the International Standard on Assurance Engagements ISAE 3402 Assurance Reports on Controls at a Service Organization, issued by the International Auditing and Assurance Standards Board.

In particular we believe that the benefits of having a specific standard on controls at a service organisation outweigh the costs of implementing such a standard, and we are not aware of any other significant public interest matters that should be drawn to the AUASB's attention.

If you require any further information or comment, please contact me.

Yours sincerely
GRANT THORNTON AUSTRALIA LIMITED



Keith Reilly
National Head of Professional Standards