

Our Ref: T/11

29 March 2017

The Technical Director,
International Auditing & Assurance Standards Board
New York

Dear Sir/Madam

EXPLORING THE DEMAND FOR AGREED-UPON PROCEDURES ENGAGEMENTS AND OTHER SERVICES, AND THE IMPLICATIONS FOR THE IAASB'S INTERNATIONAL STANDARDS

We are grateful for the opportunity to provide comments on the above subject line.

Our comments are provided in the attached appendix.

We hope you will find our comments helpful.

Yours sincerely,

CPA Mark Omona
TECHNICAL MANAGER

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA

AMK/....

EXPLORING THE DEMAND FOR AGREED-UPON PROCEDURES ENGAGEMENTS AND OTHER SERVICES, AND THE IMPLICATIONS FOR THE IAASB'S INTERNATIONAL STANDARDS

- Q1. Results from the Working Group's outreach indicate that many stakeholders are of the view that professional judgment has a role in an AUP engagement, particularly in the context of performing the AUP engagement with professional competence and due care. However, the procedures in an AUP engagement should result in objectively verifiable factual findings and not subjective opinions or conclusions. Is this consistent with your views on the role of professional judgment in an AUP engagement? If not, what are your views on the role of professional judgment in an AUP engagement?
- **This is consistent with the held view.**
- Q2. Should revised ISRS 4400 include requirements relating to professional judgment? If yes, are there any unintended consequences of doing so?
- **Yes.**
 - **No unintended consequences**
- Q3. Views regarding practitioner independence for AUP engagements.
- **It is the duty of a professional accountant to present or report on information objectively. That duty is the essence of professionalism and is appropriate to all accountants in public practice. A professional accountant has a duty to be objective in carrying out professional work, and should maintain an independent approach to that work. Thus an accountant performing professional work in public practice should recognise the problems created by personal relationships or financial involvements which by reason of their nature or degree may threaten his or her objectivity.**
 - **The above views would not change if the report is restricted to specific users.**
- Q4. What are your views regarding a prohibition on unclear or misleading terminology with related guidance about what unclear or misleading terminology means? Would your views change if the AUP report is restricted to specific users?
- **Prohibit unclear or misleading terminology.**
 - **Views would not change if the report is restricted to specific users.**
- Q5. What are your views regarding clarifying that the scope of ISRS 4400 includes non-financial information, and developing pre-conditions relating to competence to undertake an AUP engagement on non-financial information?
- **The scope of ISRS 4400 should include non-financial information, and pre-conditions relating to competence should be fulfilled.**
- Q6. Are there any other matters that should be considered if the scope is clarified to include non-financial information?
- **A requirement to comply with the IESBA Code.**

Q7. Do you agree with the Working Group's views that ISRS 4400 should be enhanced, as explained above, for the use of experts in AUP engagements? Why or why not?

- **Agree**

Why?

- **The expertise in a field other than accounting or auditing is necessary to obtain sufficient appropriate knowledge on which the accountant bases to fulfill the engagement.**

Q8. What are your views regarding the Working Group's suggestions for improvements to the illustrative AUP report? We would be particularly interested in receiving illustrative reports that you believe communicate factual findings well.

- **The suggestions will improve the AUP report**

Q9. Do you agree that the AUP report can be provided to a party that is not a signatory to the engagement letter as long as the party has a clear understanding of the AUP and the conditions of the engagement? If not, what are your views?

- **Yes. Permission from the practitioner must be sought.**
- **However, information confidential to a client acquired in the course of professional work should not be disclosed except where consent has been obtained from the client other proper source, or where there is a legal right or duty to disclose.**

Q10. In your view, which of the three approaches described in paragraph 44 is the most appropriate (and which ones are not appropriate)? Please explain.

- **The first approach is the most appropriate. The practitioner should place a restriction to access by any other party.**
- **Both parties update themselves regarding the subject matter and agree on all the parties that would access the Agreed Upon Procedures report either directly or indirectly.**

Q11. Are there any other approaches that the Working Group should consider?

- **To consider including, *in the first approach*, a provision for the entity to seek permission for the practitioner, should there be a party, not initially agreed, to access the report.**

Q12. Do you agree with the Working Group's view that recommendations should be clearly distinguished from the procedures and factual findings? Why or why not?

- **Yes.**

- **Recommendations add value/communicability of the report and should highlight the risk as well as extent of implementation including resources.**

Q13. Are there any other areas in ISRS 4400 that need to be improved to clarify the value and limitations of an AUP engagement? If so, please specify the area(s) and your views as to how it can be improved.

- **To use “practitioner” instead of “auditor.” This is based on the nature of the engagement.**
- **Suggest that, the report of factual findings, ISRS 4400, par 18(f), to replace with a statement that the practitioner complied with IESBA Code (National Ethical requirements).**

Q14. What are your views as to whether the IAASB needs to address multi-scope engagements, and how should this be done? For example, would non-authoritative guidance be useful in light of the emerging use of these types of engagements?

- **IAASB should first address the requirements under ISRS 4400.**
- **No-authoritative guidance would be issued as per emerging issues.**

Q15. Do you agree with the Working Group’s view that it should address issues within AUP engagements before it addresses multi-scope engagements?

- **Yes**

Suggestions regarding the nature of guidance on multi-scope engagements you think would be helpful and any examples of multi-scope engagements of which you are aware will be welcome and will help to inform further deliberations.

- **NA**