

Supplement I to Agenda Item 5

RESPONSES RECEIVED ON THE DISCUSSION PAPER

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

COMMENTS TO QUESTION 8

Note: This supplement has been prepared for information only. A comprehensive summary of the significant comments received on the November 2016 Discussion Paper, *Exploring the Demand for Agreed-Upon Procedures Engagements and Other Services, and the Implications for the IAASB's International Standards* and related analyses of significant issues are presented at the [September 2017 IAASB meeting](#). All comment letters on the Discussion Paper can be accessed [here](#).

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.

#	Respondent	Comments
Those Charged with Governance		
1.	IIA SA	The IIA SA does not have example of such reports and cannot comment on the format of such reports, other than the report must be fit for purpose and provide an effective response to the client.
Regulators and Oversight Authorities		
2.	EUROPEAN COMMISSION	No opinion.
3.	IRBA	8.1 The Working Group's proposal in presenting the procedures and corresponding findings in a tabular format would be the most logical for an AUP report as this would facilitate better communication. However, this will depend on the nature of the engagement and procedures to be performed. We recommend that the illustrative AUP report be presented in a tabular format with a "secondary option" of a list. 8.2 We recommend that the AUP report be enhanced to include:

		<ul style="list-style-type: none"> • A statement that the practitioner has fulfilled his/her ethical responsibilities in accordance with the International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for professional accountants and any other ethical requirements that are applicable to the performance of the AUP engagement in the jurisdiction concerned; and • Details of the extent of procedures performed or not performed on the information received from management, in verifying the accuracy and completeness of the information. <p>8.3 We further recommend that the responsibilities of management and the practitioner be clearly distinguished in the AUP report.</p> <p>8.4 The following are examples of AUP reports that are used in South Africa:</p> <ul style="list-style-type: none"> • The IRBA Illustrative Section 12I Tax Incentive Programme Report ; • Part 2B of the IRBA Illustrative Stockbrokers Auditor's Report ; • Part G and Part H of the IRBA Illustrative SARB Banks Act Regulatory Reports ; • The IRBA Illustrative Section 15 Retirement Funds Reports ; and • SAICA Circular 2/2016, Illustrative Report Relating to a Certificate Prepared by a Company for Conveyancing Purposes.
National Auditing Standard Setters		
4.	AASB-CNAC	We support the Working Group's view that providing additional example reports in ISRS 4400 would be beneficial in facilitating clearer and better communication of the factual findings of an AUP engagement. An example report with unclear or misleading terminology prescribed by law or regulation with a corresponding definition to clarify the terminology would be helpful.
5.	AUASB	<p>The AUASB is supportive of improvements to the illustrative auditor's report, however the format of illustrative reports should not be prescribed, but should rather be examples only incorporating the elements identified as required by the standard. If law or regulation prescribes the format of an agreed-upon procedures report, the practitioner would need to understand that each element identified as required by the standard is included in a prescribed report.</p> <p>For ease of communication, the Australian Standard on Related Services, ASRS 4400 Agreed-Upon Procedures Engagements to Report Factual Findings, includes an example report presenting factual findings in a table format, containing procedures performed, factual findings and errors/exceptions identified. The example report can be found in Appendix 4 of ASRS 4400 on the AUASB website.</p>
6.	CNCC-CSOEC	<p>Even if the Illustrative example of practitioner findings in Appendix 2 of ISRS 4400 could be Improved, we consider that it is useful to keep a "short form" AUP report.</p> <p>However, we also agree with the Working Group's view that an illustrative report that would present the procedures and corresponding findings in a tabular format or one that presents each procedure and corresponding finding together would also be useful, particularly for engagements involving many procedures.</p> <p>As mentioned in question 5, an example of AUP report on Eco-Emballages Statement, which presents the procedures to be performed and corresponding findings in a tabular format is attached to the present letter.</p>
7.	FAP	NO COMMENT
8.	HKICPA	We agree that for engagements involving many procedures, a tabular format may be more appropriate.

		In the links provided in Q5 to circulars issued by the HKICPA, the illustrative AUP report is set out in a tabular format.
9.	IDW	We agree with the views of the Working Group that an illustrative report that presents the procedures and corresponding factual findings together is likely to facilitate better communication. This can be in tabular format, but other methods might be possible. In any case, we believe that the application material could provide more guidance on how such reports might be drawn up.
10.	JICPA	We agree with the Working Group's suggestion to improve illustrative AUP report to make it more flexible. However, it will suffice to state that a tabular format or appendix can be applied because illustrative examples will not be able to cover every situation.
11.	MAASB	The AASB supports the suggestion for an additional example report in ISRS 4400 as this would facilitate better communication of the factual findings of an AUP engagement.
12.	NBA	Our suggestion would be to use headings. In practice we often see that the description of the procedures are repeated within the description of the report's findings. This can be solved by combining them in the description. The form depends on the size, sometimes an appendix with a tabular format will work. We also notice that an interpretation of the findings can be shortened. For example the summary that 'the internal guidelines are followed at eight investigated expense reports' after a description of the procedures (see I. General comments). See Appendix 1, paragraph 34i to 34m inclusive and A21. See Appendix 2 for an illustration of a report of factual findings in accordance with Standard 4400N.
13.	NZAuASB	The NZAuASB agrees that the illustrative reporting example in ISRS 4400 could be improved. An illustrative report that presents the procedures and findings in a tabular format, or one that presents each procedure and finding together, will likely facilitate better communication, particularly for engagements involving many procedures. However, the NZAuASB discourages the Working Group against being overly prescriptive with respect to the format of the AUP report. Given the nature of AUP engagements, there is unlikely to be a "one size fits all" form of report. Rather than prescribing a standardised form of report for all AUP engagements, the NZAuASB prefers identifying the required elements that are common to all AUP engagements and allowing flexibility for the practitioner to present the procedures and findings in the most suitable format. Practical reporting examples are included in the Appendix.
Accounting Firms		
14.	BDO	We agree with providing the suggested additional illustrative AUP reports in the revised standard. The proposed structure of presenting the procedure with the corresponding description of the results immediately thereafter or in a table format promotes user understanding of the information being provided. In addition, a sample report including definitions of terminology which may be considered unclear or misleading would be helpful. We propose that emphasis should be added that the sample reports are for illustrative purposes only and should be modified to the specific requirements of the AUP engagement. As an international network of member firms, many of our practitioners operate in jurisdictions where English is not the primary language. Having a range of illustrative reports helps to put the requirements and other content in standards in context and provides greater clarity for practitioners. We have attached a sample illustrative report we believe communicate factual findings well in Appendix I.

15.	CHI	<p>The Working Group’s thinking on reporting appears appropriate; and Presenting the report in a way that more clearly communicates the procedures applied and the corresponding findings is sensible. We agree with the proposed improvements.</p>
16.	DTTL	<p>Various firms and practitioners present AUP findings using a variety of layouts. DTTL is supportive of making improvements to the illustrative reports; however, flexibility in format is needed given the number of subject matters and potential presentations required or requested by engaging parties as well as required by laws or regulations. DTTL believes that different formats should be acceptable as long as the required reporting elements of ISRS 4400 are met.</p>
17.	EYG	<p>We do not view improvements to the illustrative AUP report to present findings and procedures in different formats as a priority, or necessary, for the revision of ISRS 4400.</p>
18.	GTIL	<p>We agree with the suggestions proposed in the Discussion Paper for the findings in an AUP engagement to immediately follow the procedures performed, whether or not in a tabular format. Irrespective of the number of procedures performed and the resulting length of the report, we are of the view that this will make the report easier for readers to understand.</p> <p>We would also suggest that an approach similar to the illustrations provided in the IAASB's recently issued auditor reporting standards would be helpful by providing examples of different AUP reporting scenarios. This could include providing example procedures and findings on those procedures using appropriate terminology and phrases; and providing an example of a statement to be included in the AUP report where the practitioner is independent and an example of where the practitioner is not independent.</p>
19.	KINGSTON SMITH LLP	<p>In our opinion the form of the report – and specifically how detailed it needs to be – will depend on the scope of the AUP engagement. It would be helpful if more than one example report was included in the revised Standard – for instance one short form report and one more comprehensive report.</p>
20.	KPMG	<p><i>Combined answer to question 8, 14 and 15</i></p> <p>We understand that multi-scope engagements are becoming more common with increased regulatory oversight, and the resulting development of regulatory reporting frameworks.</p> <p>We are aware of three types of engagement that could be considered to be “multi-scope” or hybrid:</p> <ol style="list-style-type: none"> 1. Engagements where the practitioner is requested to provide limited or reasonable assurance on certain subject matter information, as well as reporting factual findings on an entirely distinct, but related, subject matter information. For example, when a practitioner reports on an audit of financial statements, as well as, factual findings on procedures required by a regulator; 2. Engagements where the practitioner is requested to provide limited or reasonable assurance on certain subject matter information, with the scope of their work including certain procedures specified by the preparer, and/or user, and their assurance report is required to include the findings from these procedures. For example, when a practitioner provides an assurance conclusion on financial information prepared pursuant to the terms and conditions of a grant, as well as factual findings on specific internal controls as specified in the grant conditions; and

		<p>3. Engagements where the preparer and/or third-party user's intention is to request an AUP, but the actual scope of work specified includes procedures that require application of judgement and/or forming of subjective views. The practitioner agrees to provide a long-form narrative report including results of testing, professional views, and recommendations, but no opinion.</p> <p>We believe that the above scenarios describe areas of emerging practice. While we do not believe that these scenarios should be within the scope of a revision to extant ISRS 4400, practitioners may benefit from more guidance in this area at some point in the future as practice in this area evolves. Accordingly, we recommend that IAASB monitor the development of such engagements and consider the need to develop additional guidance in this area at some point in the future.</p>
21.	PKFI	<p>We welcome the suggested improvements and re-emphasise that the report on an AUP engagement needs to describe the purpose and procedures and the results of the procedures in sufficient detail to enable the reader to clearly understand the nature and the extent of the work performed. The report must make sense.</p> <p>In our view, we suggest the following matters for the WG's consideration:</p> <ul style="list-style-type: none"> • a statement (when applicable) that the practitioner is objective and not necessarily independent of the entity; • a statement (when applicable) that the practitioner is not responsible for making recommendations to address any errors and exceptions identified and that remedial action is the responsibility of the preparer of the subject matter and information.
22.	PwC	<ul style="list-style-type: none"> • We do not suggest the IAASB spends time developing an illustrative report, as most reports are bespoke to the requestor.
23.	RSM	<p>It is useful to provide illustrative reports to help practitioners, especially with the paragraphs that are common to all AUP engagements. However, due to the wide variety of subject matter, we believe that the guidance should not be overly prescriptive.</p> <p>We encourage the inclusion of different formats of reports as suggested, including tabular with procedures and findings together. Our view is that the decision on the layout of the report should remain with the practitioner who, in turn, should be encouraged to use the most appropriate format for the users of the report.</p>
Public Sector Organizations		
24.	AUDIT NEW ZEALAND	<p>We support the view that an illustrative report in tabular format would be helpful. We note that many key audit matters audit reports are also presented in a tabular format to facilitate better presentation of the information relating to each matter. We believe that this format could also work well for AUP engagements.</p>
25.	CIPFA	<p>CIPFA agrees that addressing the different presentation requirements for long and detailed findings is appropriate.</p>
26.	PAS	<p>An improved illustration of the report, presenting the procedures and corresponding findings (either tabular, or showing the procedures and findings together) would be facilitate better communication.</p>
Member Bodies and Other Professional Organizations		
27.	ACCA	<p>ACCA view supports these improvements.</p>
28.	AE	<p>(33) We suggest keeping the short-form AUP report while changing the presentation, i.e. present each procedure and corresponding finding together.</p>

		<p>(34) It will be also worth adding an appendix 3 with a longer form of an AUP report for engagements that have numerous procedures.</p> <p>(35) As mentioned in our response to question 4, it is important that the practitioner presents the results of an AUP engagement in a clear and unambiguous way which is not misleading.</p> <p>(36) We have identified one example from the UK which illustrates reports that communicate findings well. In the Travel Industry, the UK regulator, CAA, requires ATOL Reporting Accountants to submit two reports on a travel company's compliance with their regulations. One of these requires a 'fairly presents' opinion, the other is an AUP factual findings report .</p>
29.	AICPA	We support the suggestions for improvements.
30.	ASSIREVI	We believe that illustrative examples would be very useful. These improvements should be developed in conjunction with the introduction of a comprehensive guidance on terminology (see A4. above).
31.	CAANZ	<ul style="list-style-type: none"> • The AUP report should use simple language that is easily understandable. This will add value to AUP engagements. • ISRS 4400 should also clarify that only factual misstatements may be reported, not judgmental misstatements (eg based on extrapolation or estimates). • ISRS 4400 should also require practitioners to report on any failures to obtain factual evidence to ensure the AUP report is complete with regard to the exact findings. • Sample selection vs the carrying out of procedures on selected items should be separated out.
32.	CAI	We agree with the Working Groups suggestions for improvements to the illustrative AUP report. If the scope of the AUP standard will be enhanced to include non-financial information (per Question 5&6), it would be worth considering if an additional illustrative report in respect of non-financial information should be included. This would enable the practitioner to compare examples of appropriate terminology to use in both cases.
33.	CPAA	<p>We agree that the factual findings need to be presented in AUP reports in a manner which is most useful to users. Illustrative reports that show the procedures and related findings in a tabular format would be one useful way to present the information in the AUP report. This format was used in the example report in ASRS 4400, Appendix 4. This example presents the factual findings in a simple table with a row for each procedure and columns for: procedures performed (which would reflect the terms of engagement), factual findings and errors or exceptions identified. The example report also provides a table for procedures which could not be performed with columns for: procedure unable to be performed and reasons procedure was unable to be performed.</p> <p>Nevertheless, we suggest that there needs to be flexibility in the manner in which the findings may be presented to allow for differences in the nature and complexity of each engagement.</p>
34.	EFAA	<p>We agree with the suggested improvements.</p> <p>We support any reasonable attempt to improve existing guidance. Given that AUP engagements are widely used and applied for various purposes it will be difficult to create comprehensive broadly applicable guidance. Nevertheless, it is important to emphasize that the illustrative AUP report is purely illustrative and can and should be modified to meet the specific requirements of the engagement in question. That said, practitioners are often reluctant to deviate from sample wordings or guidance provided by a standard setter.</p> <p>The illustrative report should also include an example statement to be used when the practitioner is not independent.</p>

35.	FACPCE	We share the suggestions of the Working Group. The examples included in Appendix 2 of the ISRS 4400 are simple which does not provide important help to the professional. We consider that a format where the procedure carried out is first expressed and then the findings observed may be clear to the user of the report. We attach a Report Form, in its pertinent part
36.	FAR	When there are more than a few procedures and factual findings, the AUP report would be improved by presenting the procedures and corresponding findings in a tabular format or each procedure and corresponding finding together. The same layout should be used even when there only are few procedures and findings.
37.	FSR	<p>The current wording in the factual findings report is not suitable or understandable for many non-technicians using a factual findings report. In our opinion, the IAASB should consider if the caveats in the reports can be less extensive and/or made more understandable for users. This is especially an issue due to it that a comprehensive conclusion is not given, which would be value adding if there are no negative findings from the performed procedures.</p> <p>In our view, the "short form" of the illustrative AUP report should be changed so that the procedure and corresponding finding are presented together.</p> <p>We support that the standard should include an illustrative report that includes a tabular format, which can be used when there is a significant number of procedures. In our view, it is important that the standard reflects that there can be alternate ways of presenting procedures and related findings.</p>
38.	IBR-IRE	<p>Conversely, we believe it to be important to look at the wording of the AUP report to ensure that it does not diminish the value of the engagement.</p> <p>We suggest the short-form AUP report could be enhanced by present each procedure and corresponding finding together.</p>
39.	ICAEW	We believe that ISRS 4400 should include an illustration of the AUP reporting framework which highlights the key areas that need to be addressed in an AUP report and includes illustrative text for the more standardised sections of the report. We believe that the illustrative report should also include an example statement to be used where the practitioner is not independent. Given that the nature and scope of AUP varies considerably from engagement to engagement we do not see any real benefit in developing detailed illustrations of how procedures and findings might be documented in the report.
40.	ICAG	<p>We agree with the Working Group's suggestions of a framework for the illustrative report as a guide. The current illustrative report does seem to be limited. The report should be enhanced. Also consider including an engagement letter template.</p> <p><i>We would be particularly interested in receiving Illustrative reports that you believe communicate factual findings well.</i></p> <p>Noted.</p>
41.	ICAS	<p>We believe that retaining the 'short-form' AUP report would be the best option but would suggest that the AUP report could be improved by changing the structure of the report by presenting each procedure and corresponding finding together.</p> <p>It might also be worth including in an appendix a longer form example of an AUP report for engagements that involve a large volume of procedures.</p>

		<p>Finally, as referred to in our response to question 4, we would stress the importance of the AUP report avoiding unclear or misleading terminology.</p> <p>One example of an illustrative report that communicates factual findings well is:</p> <ul style="list-style-type: none"> The factual findings report to the Civil Aviation Authority in the UK by Air Travel Organisers' Licensing (ATOL) Reporting Accountants on the financial information submitted by the ATOL holder: http://publicapps.caa.co.uk/modalapplication.aspx?catid=1&pagetype=65&appid=11&mode=detail&id=7285 										
42.	ICASL	<p>While agreeing with the Working Group's suggestions for improvements to the illustrative AUP report, following depicts demonstrative procedures and corresponding findings together in a tabular format for better communication.</p> <table border="1"> <thead> <tr> <th>Agreed Upon Procedure</th> <th>Description on Finding</th> </tr> </thead> <tbody> <tr> <td>Inspect the shipment dates for a sample (agreed-upon) of specified shipping documents, and determine whether any such dates were subsequent to December 31, 20XX.</td> <td>No shipment dates shown on the sample of shipping documents were subsequent to December 31, 20XX.</td> </tr> <tr> <td>Calculate the rate of return on a specified investment (according to an agreed-upon formula) and verify that the resultant percentage agrees to the percentage in an identified schedule.</td> <td>No exceptions were found as a result of applying the procedure.</td> </tr> <tr> <td>Trace all outstanding cheques appearing on a bank reconciliation as of a certain date to cheques cleared in the bank statement of the subsequent month.</td> <td>All outstanding cheques appearing on the bank reconciliation were cleared in the subsequent month's bank statement except for the following: [List all exceptions.]</td> </tr> <tr> <td>Compare the amounts of the invoices included in the "over ninety days" column shown in an identified schedule of aged accounts receivable of a specific customer as of a certain date to the amount and invoice date shown on the outstanding invoice and determine whether or not the invoice dates precede the date indicated on the schedule by more than ninety days.</td> <td>All outstanding invoice amounts agreed with the amounts shown on the schedule in the "over ninety days" column, and the dates shown on such invoices preceded the date indicated on the schedule by more than ninety days.</td> </tr> </tbody> </table>	Agreed Upon Procedure	Description on Finding	Inspect the shipment dates for a sample (agreed-upon) of specified shipping documents, and determine whether any such dates were subsequent to December 31, 20XX.	No shipment dates shown on the sample of shipping documents were subsequent to December 31, 20XX.	Calculate the rate of return on a specified investment (according to an agreed-upon formula) and verify that the resultant percentage agrees to the percentage in an identified schedule.	No exceptions were found as a result of applying the procedure.	Trace all outstanding cheques appearing on a bank reconciliation as of a certain date to cheques cleared in the bank statement of the subsequent month.	All outstanding cheques appearing on the bank reconciliation were cleared in the subsequent month's bank statement except for the following: [List all exceptions.]	Compare the amounts of the invoices included in the "over ninety days" column shown in an identified schedule of aged accounts receivable of a specific customer as of a certain date to the amount and invoice date shown on the outstanding invoice and determine whether or not the invoice dates precede the date indicated on the schedule by more than ninety days.	All outstanding invoice amounts agreed with the amounts shown on the schedule in the "over ninety days" column, and the dates shown on such invoices preceded the date indicated on the schedule by more than ninety days.
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43.	ICAZ	<p>We agree with the Working Group's suggestions for improvements to the illustrative AUP report. The report is more useful to users if it facilitates better communication. Providing more illustrative AUP reports in ISRS 4400 will assist the practitioner in using a report which meets the requirements for an AUP report and best suits their specific engagement.</p>										
44.	ICPAU	<p>The suggestions will improve the AUP report</p>										

45.	ISCA	NO RESPONSE
46.	KICPA	We are totally with the Working Group's suggestion. Presenting as a short form for AUP engagements involving relatively fewer procedures and as a tabular format for those involving many procedures could increase the understandability of report users, as we believe.
47.	MICPA	MICPA agrees that the illustrative AUP Report should be improved. The illustrative report should also include a caveat on the use of the work of an expert (where applicable). See response to question 7 above.
48.	NASBA	If the IAASB decides that independence is required, we would suggest that the title of the report include a reference to the professional accountant's independence. More illustrative guidance and additional examples of the AUP reports could be provided in the standard. Examples of such reports are attached in Appendix A and Appendix B.
49.	SAICA	<p>68. The majority of survey respondents (65%) indicated that they make use of the illustrative report contained in extant ISRS 4400.</p> <p>69. Those survey respondents who do not make use of the illustrative report in extant ISRS 4400 have either developed their own report specific to the needs of the engaging party (39%) or they make use of the report format stipulated in specific guidance issued by SAICA and/or the IRBA (61%).</p> <p>70. For information purposes of the Working Group, the following are example of reports referred to in the previous paragraph that are used in South Africa:</p> <ol style="list-style-type: none"> a. Part B of the IRBA Illustrative Stockbrokers Auditor's Report²⁹; b. Part G and Part H of the IRBA: Illustrative SARB Banks Act Regulatory Reports³⁰; and c. SAICA Circular 2/2016, Illustrative Report Relating to a Certificate Prepared by a Company for Conveyancing Purposes³¹. <p>71. With reference to the possible formats of AUP reports described in the Discussion Paper³², no clear preference was observed from the responses to the SAICA survey. The survey respondents indicated that they make use of all three of the formats; as indicated below. During the task group meetings that we attended, there was a distinct preference for the tabular format compared to the survey results.</p> <p>72. From our consultations, it was noted that since all AUP engagements are unique, the best suited template is determined by the nature of the AUP engagement. It was further noted that there are instances where the AUP report takes a format specific to a request received; usually from a regulatory body. In this instance, the practitioner either issues the report in the exact format required by the regulatory body or incorporates this form into one of the three formats described above.</p> <p>29 https://www.irba.co.za/upload/JSE%20Reports%20A,%20B%20&%203_Stockbrokers_Sep%202016.doc</p> <p>30 https://www.irba.co.za/upload/Reg%2046%20parts%20AH.docx</p> <p>31 https://www.saica.co.za/Portals/0/Technical/financial-reporting/Circular2of2016IllustrativeReport.pdf</p> <p>32 Discussion Paper, paragraph 37</p>

		<p>73. In merely signing off the report in the format required by a regulatory body, there is a risk that all the required disclosures as contained in paragraph 18 of extant ISRS 4400 are not included in the AUP report.</p> <p>74. The request for a specific format from regulators is a frequent occurrence in the South African environment. For the understanding of the party requesting the AUP report, and to alert the practitioner to the risk of non-compliance with ISRS 4400, it is recommended that the revised ISRS 4400 contain guidelines on how this situation should be addressed.</p> <p>75. To this end, it is our view that the revised ISRS 4400 should be expanded to include examples of the different formats, namely the tabular format and the combined format. With the unique nature of AUP engagements, the revised standard should not be prescriptive in requiring the practitioner to comply with a specific report format; but rather provide these examples for illustrative purposes.</p> <p>76. The proponents of the tabular format argued that it enhances the users understanding of the AUP report since there is a clearer, more direct link between each procedure and its finding(s), and it is conducive to the concise formulation of findings.</p> <p>77. Taking into account recent improvements in auditor reporting in the context of an audit of financial statements (as required by ISA 700 (Revised)³³) the Working Group should consider making certain improvements to the AUP report by analogy, including a better report structure that will enhance clear communication and including some additional elements such as:</p> <ul style="list-style-type: none"> a. A statement that the practitioner has fulfilled his/her ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to the performance of an AUP engagement in the jurisdiction concerned; b. A description of management’s responsibilities in terms of the AUP engagement. This should include the fact that management is responsible for the preparation of the subject matter information, as well as ensuring that the procedures that have been agreed to be performed are adequate for the purposes of the engagement; c. A description of the practitioner’s responsibilities in terms of the AUP engagement. This should include the fact that the practitioner is required to perform the procedures that have been agreed to and report on objectively verifiable factual findings. This could also expand on the exercise of professional judgement as discussed earlier (refer to our comments to question 1 above). <p>78. Although extant ISRS 4400 already contains a list of requirements that need to be included in the AUP report³⁴, the standard is not prescriptive in stating that the AUP report shall contain at a minimum certain disclosures. It is recommended that the revised ISRS 4400 be prescriptive in indicating the minimum disclosure requirements for an AUP report. This will enhance the information value of AUP reports and ensure consistency in reporting.</p> <p>³⁴ ISRS 4400, paragraph 18</p>
50.	SAIPA	SAIPA is happy with the illustrative report in Appendix 2, the only enhancement will be where the work of an expert has been relied upon where the report should cover the nature; timing and extent of the procedures of the expert. SAIPA has developed AUP reports as part of the members’ working papers and members choose whether they use the illustrative example as is or use the SAIPA developed report. The report that is part of SAIPA’s working papers is not too different from Appendix 2.
51.	SMPC	We agree that an illustrative report which presents the procedures and corresponding findings in a tabular format, or one that presents each procedure and corresponding finding together would be useful. In many engagements the report is likely to be lengthier than the

		current illustration. However, as the nature and scope of AUP engagements varies considerably, we do not see much value in developing many detailed illustrations as there should be sufficient flexibility.
52.	WPK	<p>We support any reasonable attempt to improve existing guidance. As stated above AUP engagements are widely used and applied for various purposes. Therefore it is a challenging task to create comprehensive guidance that covers various circumstances.</p> <p>Nevertheless it seems important to stress that the illustrative AUP report in ISRS 4400 is just an illustrative example which can and should be modified in order to meet the special requirements of the corresponding engagement. It should be noted that professionals are often reluctant to deviate from sample wordings or guidance provided by a standard setter.</p>
Individuals and Others		
53.	14000REGISTRY	No comment.
54.	ANA	<p>We agree that the illustrative report should be revised.</p> <p>The scope of the AUP should be disclosed in one place in the beginning and thereafter for each the specific findings may follow. We do not support the tabular format. The text to be placed may vary for each AUP.</p>