



Agreed-Upon Procedures

AASB Meeting

March 14, 2018

Agenda Item 5

IAASB

International Auditing
and Assurance
Standards Board

Material Presented

Item 5 – Issues Paper

Item 5A – Working Draft

Item 5B – Mapping to Extant 4400

Milestones

- Added to IAASB's 2012-2014 Strategy and Work Program
 - 2015 Working Group established
 - 2015-2016 Extensive outreach conducted
 - November 2016 Issued Discussion Paper
 - General support in responses
 - September 2017 Project Proposal approved
 - 2017 Task Force established
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Task Force Guiding Principles

- Be consistent with approach adopted by ISRS 4410 *Compilation Engagements*
 - Refrain from over-complicating things
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Comments received

SMPC

- Strongly supports project
 - Three suggestions to amend working draft to consider

 - *CAG*

 - Others
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Findings vs Factual Findings

1. The IAASB is asked for its views on the use of the term “findings” instead of “factual findings” in the standard.

AUP Engagement Parties involvement

2. The IAASB is asked for its views on the proposed approach to:
 - a) Clarify who the “parties that have agreed to the procedures to be performed” are; and
 - b) Allow for the AUP engagement report to be provided to a party (such as a regulator or funder) who is often not a signatory to the engagement letter?

IESBA Code & Independence

3. The IAASB is asked for its views on the approach being taken to clarify the disclosure requirement on non-independence.

Other Issues identified in project proposal

4. The IAASB is asked for its views on the proposed dispositions of other issues identified in Project Proposal.

Professional Skepticism (5.2)

4b. The IAASB is asked for its views on the proposed approach to professional skepticism

Para. 1-8;
A1-A2

Introductory paragraphs

- Scope – Non-financial information
 - Description of AUP engagements
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Para. 9; A3

Definitions

- Parties involved in an AUP engagement
 - Engaging party
 - Intended users
 - Practitioner
 - Responsible party
 - Findings
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Para. 10-15;
A4-A8

Conduct of an AUP Engagement, Quality Control and Ethical Requirements

- Liaison with QC Task Force and the IESBA
- Requirement to disclose non-independence

Para. 16;
A9-A11

Professional Judgment

- Requirement for practitioner to exercise professional judgment
 - Examples of areas in which professional judgment may be exercised
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Para. 17-21;
A12-A23

Engagement Acceptance

- Engaging party and intended users have clear understanding of the procedures
 - Engaging party's acknowledgement of appropriateness of procedures
 - Description of AUP and findings
 - Modifications of procedures over the course of the engagement
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Para. 22-23;
A26-A27

Performing the Engagement and Using the Work of a Practitioner's Expert

- Practitioner's responsibilities if the practitioner uses the work of an expert
- Preconditions of an AUP engagement apply to the work performed by the practitioner's expert

Para. 24-26;
A28-A32

Reporting

- Compliance with ISQC 1 and ethical standards (integrity, objectivity and professional competence and due care)
- Description of an AUP engagement
- Consideration of restriction on the use or distribution of the report
- Date of AUP report

Para. 27-29;
A33-A35

Documentation and Undertaking an AUP Engagement at the Same Time as Another Engagement

- Documentation of matters supporting the findings
- Clearly distinguishing AUP engagement report from other engagement reports

- The AUP Task Force plans to present a draft of an Exposure Draft of ISRS 4400 (Revised) for first read at the IAASB September 2018 meeting.