Responses to ED–4400
Comments to Q5 ‘Findings’
NVivo Report 5A
(FOR REFERENCE)

01. Independent Regulatory Board for Auditors
- Yes, we agree with the term “findings” and the related definitions and application material paragraphs 13(f) and A10 of ED-4400.
- We are of the view that paragraph A11 of the application material could be clarified further or enhanced by including the following underlined wording at the end of the paragraph: “In some jurisdictions the term “findings” may be replaced with “factual findings”, pursuant to local law, regulation or practice.”

02. National Association of State Boards of Accountancy
- Yes, we agree with the term “findings” and the related definitions. If the engagement letter and the AUP report specify that the engagement was conducted in accordance with ISRS 4400 (Revised), and ISRS 4400 (Revised) uses and defines the term “findings,” then we do not understand the need to include A11 in the application material. The use of “factual findings” could add confusion.

03. World Bank Group
The term “findings” (not preceded by “factual”) seems more appropriate. However, the definition in Para. 13 (“factual results of procedures”) is very restrictive. As explained above (see Professional judgment), some findings as in an AUP engagement might require the application of professional judgment.

The explanatory memorandum (Para. 26) draws a sharp contrast between “objectively verifiable factual findings” and “subjective opinions and conclusions”. Conclusions based on facts and the application of professional judgment (and potentially professional skepticism) cannot be viewed as the same as “subjective opinions”.

04. Australian Auditing and Assurance Standards Board
The AUASB does not agree with the change in definition from “factual findings” to “findings” for the following reasons:
- The removal of the word factual from the title may suggest a reduction in the level of objectivity. This combined with the matters referred to under independence and judgement above, does cause a level of concern.
- The term findings can also cause confusion as it is a term commonly used in consulting and advisory services where a level of professional judgement is applied in the conduct of those engagements.

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1 Exposure Draft International Standard on Related Services 4400, Agreed-Upon Procedures Engagements
• The fact that the phrase “findings” has to be defined in the ED as “findings that are the factual results of procedures performed” suggests that use of the adjective “factual” is a key part of the definition. As a result, the phrase “factual results” or “factual findings” appears to be fit for purpose. It is relevant to note that the Australian Standard ASRS 4400 doesn’t define the phrase “factual findings” as the phrase itself implies what type of findings they are.

05. Canadian Auditing and Assurance Standards Board

We agree with the term “findings” and the related definition and application material. The use of the term “findings” together with the definition and application material help to clarify that the results of performing the agreed-upon procedures must be “factual” and are capable of being objectively verified and objectively described.

06. Compagnie Nationals des Commissaires aux Comptes- Consell Superleur de l'Ordre des Experts

We agree with the term “findings” and the related definitions and application material in paragraphs 13(f) and A10-A11 of ED-4400.

07. Hong Kong Institute of Certified Public Accountants

We agree with the term "findings" and the related definitions and application material in ED-4400 in the context of an AUP engagement.

To be consistent with the definition, "Factual results" in paragraph A10 should be "Findings".

08. Institut der Wirtschaftsprüfer

We respond to Question 5 posed in the Explanatory Memorandum prior to responding to Question 2, since our response to Question 5 is an important basis for our response to Question 2.

We do not agree with the use of the term “findings” without “factual”. Although we agree with the content provided in the related definitions and application material in paragraphs 13 (f) and A10 of the draft, we do not agree with the split between the definition and the application material. If, nevertheless, the IAASB were to choose to retain the term “findings” and its definition and related guidance without change as proposed in the draft, we note that the standard does not require practitioners to be transparent to the engaging parties, and to the other users of the engagement report, on the meaning of “findings”. In this case we believe the guidance in paragraph A11 becomes essential for certain jurisdictions. We will address each of our views in turn below.

**Retaining the concept of findings as factual results**

The term “factual findings” in extant ISRS 4400 is used to clarify that only those findings that are factual would result from the agreed-upon procedures performed and would be included in an ISRS 4400 report. The nature of the engagement under extant ISRS 4400 is therefore limited to agreed-upon procedures that result in factual findings. While the IAASB could have sought to change the nature of the engagement to one that encompasses findings that are not factual in addition those that are, in its draft the IAASB chose not to do so. We agree with this choice for the following reasons:
• A significant majority of respondents (including the IDW) to the IAASB Discussion Paper was of the view that performing procedures in an AUP engagement should result in objectively verifiable factual findings and not subjective opinions or conclusions.

• Broadening the engagement to include findings other than factual findings would imply that the nature, timing or extent of the procedures agreed upon have not been specified to the degree necessary to yield factual results. This also means that broadening the engagement to include findings other than factual findings would undermine the need to appropriately specify the agreed-upon nature, timing and extent of procedures as required in paragraph 22 (f) of the draft.

• Although we recognize the need for a type of engagement – particularly for regulatory purposes – that contemplates specifying the nature of the procedures, but provides for greater flexibility with regard to the exercise of professional judgment by the practitioner on their timing and extent, we believe that such an engagement would require a separate standard because new issues arise if the timing or extent of procedures is less specified, which leads to findings that are no longer factual. In Germany, we have designed such engagements using special standards for regulatory purposes (for lack of a better term, we call them “agreed-upon assurance procedures”), in which the IDW as standard setter agreed the nature of the procedures with the relevant regulator, but the regulator expects the practitioners to exercise professional judgment in determining the timing and extent of those procedures.

• We also recognize the need for an engagement involving practitioners issuing reports about the application of their professional expertise to matters (such as their “reasonableness”) not amenable to agreed-upon procedures engagements or assurance engagements. We call these engagements “technical positions” or “expert opinions”. We take the view that these kinds of engagements involve issues that cannot be addressed as part of a standard on agreed-upon procedures engagements. We therefore do not believe it to be appropriate for the IAASB to contemplate broadening the engagement beyond findings that are factual results, even if the IAASB receives some comment letters to that effect.

Use of the term “findings” rather than “factual findings”

However, having made the choice to retain a concept of factual findings (i.e., factual results) for ISRS 4400, we are not convinced that the IAASB is doing practitioners or users a favour by changing the term from “factual findings” to “findings”. Despite the intention not to change the meaning of the concept, the change in term will commonly be viewed as such – particularly by users who will not read ISRS 4400 and its definitions.

More importantly, the change is based on the erroneous view that the term “findings” in the English language is limited to those that are factual. That is not the case. Consultation of a number of leading English-language dictionaries shows that the term “findings” in English is not limited to factual ones. These definitions include terms like “conclusions”, “results”, “a piece of information”, “a judgment”, “information” and “information or a fact” – all of which clarify that the term “findings” in the English language also relates to matters that are not facts. In addition, it should be noted that legal dictionaries (e.g. Black’s law dictionary) in the English language refer to “findings of fact”, which implies that legally speaking, not all findings need to be factual.

Furthermore, the term “findings” in current IAASB standards outside of extant ISRS 4400 is used to refer to findings other than factual findings. This means that the proposed use of the term “findings” (without
“factual”) in the draft as relating to factual results would no longer be consistent with the use of the term “findings” in other IAASB standards.

We also note that, like in English, in some other languages (such as German), a distinction is made between factual findings and other findings. While in other jurisdictions, such as in France, the French use of the term “findings” for agreed-upon procedures may be limited to factual ones, the same does not apply to French used in Quebec. It is therefore important for the IAASB to determine the number of jurisdictions with languages that limit their word for “findings” to factual ones and those that do not.

For all of these reasons, we believe that the proposed change in the draft from the term “findings” to “factual findings” is inadequately grounded and is therefore misplaced. The fact that the AICPA Attestation Standard for agreed-upon procedures engagements refers to “findings” rather than “factual findings” is due to the nature of the engagement, which has always been broader than that contemplated by ISRS 4400, in that greater flexibility is foreseen in defining the nature, timing and extent of procedures: the US standard does not expressly lead to “factual results”. Consequently, we believe that the IAASB should retain the term “factual findings” for ISRS 4400. Hereinafter in our suggestions for wording, we use “findings”, but take the view that this should be replaced with “factual findings”.

**Definition and related guidance**

While we agree with the content of the definition of “findings” in paragraph 13 (f), we do not believe this definition to be complete. In particular, the application material in paragraph A10 provides a definition of “factual results” that is more than just an explanation: it provides the characteristics distinguishing factual results from other results. In particular, the phrase “different practitioners performing the same procedures are expected to arrive at the same results” is absolutely crucial to an understanding of what factual results are and the importance of appropriately specifying the nature, timing and extent of procedures agreed-upon as required in paragraph 22 (f) so that factual results are obtained. For these reasons, we believe that the application material in paragraph A10 properly needs to be taken up into the definition of “findings” in between the current first and second sentences of paragraph 13 (f).

However, we do believe that a definition is needed to define the meaning of “objectively described” as used in paragraph A10 of the draft (and as we propose be added to the definition in paragraph 13 (f)). The words used in paragraph 20 (b) could be used to that effect by defining “objectively described” as “being described terms that are clear, not misleading, and not subject to varying interpretations”.

**The term “findings” is not changed back to “factual findings”**

If, despite the weighty arguments that we have provided above, the IAASB nevertheless chooses to follow the proposal in the draft to use the term “findings”, rather than “factual findings”, we believe that it is crucial for parties to the engagement other than the practitioner to be made aware that the term “findings” refers to factual results and not to other results. As noted above, the dictionary and legal definitions of the term “findings” in the English language and its common English usage and usage in other IAASB standards would mean that other parties would not be aware of the fact that, when the term “findings” is used, only “factual results” are meant. It would be unreasonable to expect users to read the ISRS 4400 and its definitions. Consequently, the requirement in paragraph 22 (g) on the expected content of the report when agreeing the terms of engagement ought to include a requirement to clarify that the report will include the factual results of the procedures and that these are termed findings. Likewise, paragraph 30 (h) (i) should require the practitioner to clarify that the findings represent the factual results of the procedures performed. The example engagement letter and report would need to be adjusted accordingly. If the IAASB chooses
to retain the term "findings" without "factual", we suggest that paragraphs 22 (g) and 30 (h) (i) be written as follows, respectively:

“Reference to the expected form and content of the agreed-upon procedures report, including that the report will include the findings (factual results) that result from performing the procedures.”

“…, and the reporting of findings (factual results) resulting from the procedures performed.”

09. The Japanese Institute of Certified Public Accountants

- We agree that ISRS 4400 paragraph 13(f) provides a new definition. However, we are opposed to changing the term “factual findings” to “findings”. We propose retaining the term “factual findings” as in extant ISRS 4400 because specific use of the word “factual” more appropriately expresses the intention that the factual findings of procedures in the AUP engagements are supposed to be evidenced on the facts.

The word “findings” is also used frequently in the International Standards of Auditing (ISA). Especially in the cases where the term such as “significant findings” are used (as in ISA 260 paragraphs 16 and A17), it is not simply to indicate findings of a factual nature, but also to indicate findings that incorporating the auditor’s view or judgment as to whether it is significant/insignificant. In such a case, the word “findings” used in the ISA does not necessarily refer only to factual findings. Accordingly, we have serious concerns that, if the word “findings” is used in AUP engagements, confusion with the concept of “findings” could occur, as to whether the word being used not only for matters of a factual nature, but also for matters that reflect the views of the practitioner. For this reason, we think that it would be appropriate to retain the term “factual findings,” as used in extant ISRS 4400.

- Paragraph A11 should be deleted as it would become redundant with paragraph 13(f). In addition, we recommend that the proposed stipulation starting “Accordingly…” in paragraph 13(f) should be moved to the application material in order to make the definition itself more concise.

10. Auditing and Assurance Standards Board of Malaysian Institute of Accountants

We agree with the term “findings” and the related definitions and application material of ED-4400.

11. Nederlandse Beroepsorganisatie van Accountants

We agree because the term “findings” as stated in paragraph A11 may be replaced with “factual findings” in some jurisdictions. However, we do not agree with the definition of findings which excludes opinions or conclusions in any form. This leaves no room for interpretation. It is true that the practitioner does not make a statement about the meaning of the findings for the object as a whole (“assurance”), but the practitioner can give an interpretation of the findings. For example, the practitioner may state that the internal guidelines have been followed for twelve examined statements of expenses, but does not issue a pronouncement pertaining to all statements of expenses.

12. National Board of Accountants Tanzania

Yes: We do agree with the term “findings” and the related definitions and application material in paragraphs 13(f) and A10-A11 of ED-4400
13. **BDO International Limited**

In general, we support use of the term ‘findings’ and the related definitions and application guidance in ED-4400.

However, paragraph A11 does not provide any explanation of what might be unique about certain jurisdictions that would prompt them to use the term ‘factual findings’ instead of just ‘findings’. Perhaps some additional explanation or an example could be added to paragraph A11 to provide some context.

15. **Crowe Horwath International**

The way that the term “findings” is used is clear to us, and supported by adequate explanation.

16. **Deloitte**

DTTL agrees with the term “findings” and the related definition and application material; however, we recommend removing duplicative language from the definition that is also addressed in the application material and moving the language relating to references to findings to the application material.

DTTL recommends the following revisions to paragraphs 13(f) and A10:

**Definitions**

13. For purposes of this ISRS, the following terms have the meanings attributed below:

...(f) Findings – Findings are the factual results of procedures performed. Findings are capable of being objectively verified and objectively described. Accordingly, references to findings in this ISRS exclude opinions or conclusions in any form as well as any recommendations that the practitioner may make. (Ref: Para. A10–A11)

**Findings** (Ref: Para. 13(f))

A10. Factual results are capable of being objectively described and objectively verified, which means that different practitioners performing the same procedures are expected to arrive at the same results a consistent outcome. References to findings in this ISRS exclude opinions or conclusions in any form as well as any recommendations that the practitioner may make.

17. **Ernst & Young Global Limited**

Yes, we agree with the term “findings” and the related definitions and the application material contained in the standard.

18. **Grant Thornton International Limited**

We support the view expressed by the IAASB and respondents to the Discussion Paper that performing the procedures in an AUP engagement should result in objectively verifiable factual findings and not subjective opinions or conclusions. We also note the IAASB stated in the EM that using the term “findings” instead of “factual findings” better communicates that the results from performing the AUP must be factual. However, we are of the view that removing the term “factual” (from “factual findings”) and only referring to “factual” in the definition of “findings” is contrary to this objective. We understand that using the term “factual findings” may imply that there are findings that are “not factual”, but we are not convinced that this would be a common interpretation and what confusion, if any, it might cause. We recommend reverting to the term “factual findings” throughout the standard for the following reasons:
• The term “finding” is used in the illustrative engagement letter and in the illustrative report in the ED. While the term is defined in the standard, that definition may not be available to users. We believe that using the term “factual findings”, included in both documents, would better communicate the “objectively verifiable” nature of the findings to users.

• It would render redundant the application material paragraph A11 saying that “findings” may also be replaced with “factual findings” in some jurisdictions, since it is not clear to whom this application material is directed (i.e. national standard setter or practitioner).

Regarding the definition of the term “finding”, we recommend that paragraph A10 more explicitly recognize interpretations as follows:

“Factual results are capable of being objectively described and objectively verified, which means that the results do not depend on interpretations made by practitioners and different practitioners performing the same procedures are expected to arrive at the same results.

19. Kingston Smith

Yes, we agree with the term and the related definitions.

20. KPMG IFRG Limited

We are supportive of the proposed changes to this term and to the definitions and application material, including the fact, that, as described at paragraph A11, in some jurisdictions the term “findings” may be replaced with “factual findings”.

However, we note that there is some inconsistency in the ED in that in certain instances reference is made only to “objectively described” and not “objectively verified”, e.g. at paragraphs 20(b), A16, A20 and A22. We recommend that the IAASB include both references in all instances, for clarity and consistency, as this is a key feature of AUP engagements.

We also question whether there should be guidance as to who may objectively verify and describe the procedures to arrive at the same results, in the context of the updated requirements regarding the engagement partner’s responsibility for being satisfied that the engagement team collectively has the appropriate competence and capabilities to perform the engagement (as described at 19(b)(ii)), and also of requirements in connection with the use of practitioner’s experts (19(b)(ii); 28). This is on the basis that the more professional judgement is required to evaluate the competence and capabilities of the engagement team, and the more it becomes necessary to use senior team members or an expert to assist the engagement team in performing the procedures, the greater the likelihood that the procedures may not be capable of being objectively verified or described, even by another experienced practitioner, i.e. this may contradict the presumed ability to always arrive at the same results. Similarly, we are concerned with the references to professional judgement in the context of engagement performance. Please see our response to Question 2 for further details. We suggest the standard refer to verification by a “similarly experienced” practitioner, to clarify this requirement.

21. PKF

We agree with the term “findings” and the related definitions and application material.

22. PricewaterhouseCoopers International Limited

Yes. We understand the reason for the inclusion of paragraph A11. To provide some context, we suggest
it may be helpful to add “pursuant to local law, regulation or practice”.

23. RSM International

We agree with the term “findings”. It is clear that it relates to factual findings in the definitions.

24. Auditor General of Canada

We agree with the term “findings”, related definitions and application material.

25. US Government Accountability Office

We agree that the use of “findings” is appropriate when referring to the results of work. However, we believe that the definition and application and other explanatory material do not use consistent terminology and may result in confusion for users of the proposed standard. If the intention is to use “findings” throughout, then “findings” should be used in paragraph A10 instead of “results”.

26. National Audit Office of Tanzania

I agree with the term “findings” and the related definitions and application material in paragraphs 13(f) and A10-A11 of ED-4400

27. Provincial Auditor Saskatchewan

Yes, we agree with the term “findings” and the related definitions and application material.

28. Association of Chartered Certified Accountants - Chartered Accountants Australia and New Zealand

We prefer the use of the term “factual findings” in the revised standard as we do not agree that the word “findings” as it is used in the English language is sufficiently restrictive to ensure that only facts are sought and reported on in an AUP engagement. Dictionary definitions of the term “findings” allow it to be synonymous with conclusions, and the result of legal deliberations (opinions and judgements).

If the IAASB wishes to retain “findings” then, in addition to the existing definition, we believe it would be beneficial to draw attention to the fundamental importance of considering the nuances of the wording choice in both the engagement letter and report. That way practitioners are made aware of, and consider the risk of, possible confusion with the general use of the term in their jurisdiction and so will choose the term that is most clear for their jurisdiction.

29. Accountancy Europe

We support retaining the approach whereby practitioners report on the factual results from performing an AUP engagement differentiating this from subjective findings.

We note the concerns the IAASB has expressed in paragraph 34 of the Explanatory Memorandum regarding the potential for misleading terminology that would contribute to ongoing market confusion over what an AUP engagement entails. This is an issue encountered in practice, where AUP engagements are often described in contracts by persons that are not familiar with the IAASB pronouncements. It may also be helpful for the application material in A23 to point practitioners to additional words and phrases that ought to be avoided in a report because they indicate that the findings are not factual, like “in our view”, “from our perspective”, or “we take the position that”.

In this context, we are concerned that changing the term used in extant ISRS 4400 from “factual findings” to “findings” (notwithstanding that the proposed definition of “findings” clarifies that these are indeed factual
in nature) may also cause confusion in this area, as it may be perceived as indicative of a change in substance, which is not the intention of the IAASB.

We do not agree with the IAASB’s logic for making this change (see paragraph 27 of the explanatory memorandum) as ISRS 4400 continues to relate solely to factual findings and thus the proposed change lacks justification. According to ISRS 4400 (Revised), there can be no findings that are not factual results, so we do not think there is any potential confusion within the standard. Consequently, it would be better if ISRS 4400 (Revised) would continue referring to “factual findings” consistently; failing this, the requirements for the practitioner’s report should require the report to clarify that the term “findings” means “factual results”.

30. American Institute of Certified Public Accountants

Response: While we have no issue with the defined term and the application material, we understand that there were several concerns raised during the development of ED-4400. We feel that the definition could be omitted as the term findings is self-explanatory.

31. Chartered Accountants Ireland – Audit and Assurance Committee

Yes, we agree with the term “findings” and we agree that the definition and application material are sufficiently clear and understandable.

32. CPA Australia

We recommend retention of the term “factual findings” rather than “findings” because the term findings can imply an evaluation of the evidence akin to an assurance engagement. An AUP is intended to provide statements of fact which are objective. The practitioner has not evaluated the findings to provide a conclusion or opinion and so is only able to present the factual findings. The new definition for findings states that they are the “factual results of the procedures performed”, but simply using “factual findings” avoids the need to clarify what the term “findings” means.

33. European Federation of Accountants and Auditors for SMEs

We agree with the term “findings” and acknowledge that, according to A11, it can be replaced with “factual findings”. While many of those findings are factual in nature we believe, as stated above, that the definition should not totally exclude interpretations of or conclusions about individual findings. This is different and must be clearly separated from interpreting or concluding on the findings of the object as a whole, like in an assurance engagement.

We concur with the concerns expressed regarding the potential for misleading terminology to contribute to ongoing market confusion over what an AUP entails and how this creates or exacerbates the expectation gap. This is an issue encountered in practice, where AUP engagements are specified in contracts or legislation drafted by persons unfamiliar with the IAASB’s pronouncements on assurance and related services engagements.

34. Federation of Accounting Professions in Thailand

Answer: We’re agreed with the term “findings” which mean to the result that prove to be facts.

35. FAR (Institute for the Accountancy Profession in Sweden)

Yes, FAR agrees. The definition of findings in paragraphs 13(f) and A10-11 is clear.
36. FSR Danske Revisorer (Danish Institute of Accountants)
We agree with the term “findings”.

37. Inter-American Accounting Association
Yes, We are totally agree, it seems very appropriate to define the term “findings” and other related issues addressed in the project. The definition is clear that in the order of procedures agreed upon, no opinion or conclusion is issued and the professional does not make a recommendation; is limited to presenting the verifiable result with supporting documentation.

38. Instituto dos Auditores Independentes do Brazil
Yes.

39. Institut des Réviseurs d’Entreprise/ Instituut van de Bedrijfsrevisoren (Belgian Institute)
We are hesitant to use the term “findings”. Although the definition in paragraph 13f is clear, this may not be clear to the readers of the agreed-upon procedures report. In addition, in some languages “findings” could be translated as “conclusions” and this is specifically excluded in paragraph 13f. Also, the Oxford Dictionary explains “findings” as “a conclusion reached by an inquiry”. We would prefer keeping “factual findings” as this will allow more precise translations.

We also find paragraph A11 confusing in an international environment as some jurisdictions could use “findings” while others could continue to use ‘factual findings’. This paragraph is also confusing in the context of translations of the Standard.

We suggest adding a sentence to the AUP-report providing more clarity about the objective of the agreed-upon procedures engagement: “The purpose of the engagement is for the engaging party and intended users to assess for themselves the procedures and findings reported by the practitioner and draw their own conclusions from the work performed by the practitioner.”

40. Institute of Chartered Accountants in England and Wales
Yes.

41. Institute of Chartered Accountants of Namibia
Yes.

42. Institute of Chartered Accountants of Pakistan
We agree with the definition of “findings” as defined in paragraph 13(f) and its application material in paragraph A10-A11 of the proposed standard. However, we believe that the term ‘factual findings’, of extant ISRS 4400 more appropriately represents the definition, therefore, it should be retained in the revised standard.

43. Institute of Chartered Accountants of Scotland
We do not agree with the use of the term “findings” in the related definitions and application material. We are concerned that changing the term used in extant ISRS 4400 from “factual findings” to “findings” (notwithstanding that the proposed definition of “findings” clarifies that these are indeed factual in nature) may cause confusion in this area, as it may be perceived as indicative of a change in substance, which is not the intention of the IAASB.
Consequently, we believe that ISRS 4400 (Revised) should continue to refer to “factual findings” consistently throughout.

We also note the concerns the IAASB has expressed in paragraph 34 of the Explanatory Memorandum that misleading terminology might contribute to ongoing market confusion over what an AUP engagement entails. This is an issue encountered in practice, where AUP engagements are often described in contracts by persons that are not familiar with the IAASB pronouncements. It would also be helpful for the application material in A23 to point practitioners to additional words and phrases that ought to be avoided in a report because they indicate that the findings are not factual, like “in our view”, “from our perspective”, or “we take the position that”.

44. Institute Of Certified Public Accountants Of Uganda

We agree with the term “findings” and the related definitions.

45. IFAC SMP Committee

We do not agree with changing the term “factual findings” to “findings” and the related definitions and application material (notwithstanding that the proposed definition of “findings” clarifies that these are indeed factual in nature).

We are concerned that it may cause confusion and could be perceived as indicative of a change in substance, which is not the intention of the IAASB. We also question the logic for making this change (see EM para. 27) as ISRS 4400 (Revised) continues to relate solely to factual findings (i.e. there can be no findings that are not factual results).

The word “findings” without “factual” is not necessarily commonly understood to mean only factual results in many languages, including English. A glance at English dictionaries shows that the term “finding” in the English language can be used synonymously with “discovery”, “conclusion” and “information” – none of which necessarily need to be factual. We note that legal dictionaries in the English language refer to “findings of fact”, which implies that legally speaking, not all findings need to be factual. We also note that IAASB pronouncements use the term “findings” in a number of instances to other than factual results.

We note the concerns the IAASB has expressed (see EM para. 34) regarding the potential for misleading terminology to contribute to ongoing market confusion over what an AUP entails and its impact on the expectation gap. This is an issue encountered in practice, where AUP engagements are specified in contracts or legislation drafted by persons less familiar with the IAASBs pronouncements concerning assurance and related services engagements. It may therefore be helpful for the application material in A23 to point practitioners to additional words and phrases that ought to be avoided in a report because they indicate that the findings are not factual, like “in our view”, “from our perspective”, or “we take the position that”.

Should the IAASB continue to use the term “findings” rather than “factual findings”, it would be important to be transparent to users and the engaging party about the meaning of the term “findings”. For instance, the requirements for the practitioner’s report should require an explanation that “findings” mean “factual results”. Thus, this explanation should also be included in both the example report and engagement letter.

46. Institute of Singapore Chartered Accountants

1...1 We agree with the term “findings” and related definition and application material in ED-4400.
47. Korean Institute of Certified Public Accountants
We agree with the term “findings” and the related definitions and application material.

48. The Malaysian Institute of Certified Public Accountants
Yes, the definition of the term “findings” is clearly spelt out.

49. New York State Society of CPAs
We agree with the term “findings” and the related definitions and application material. Please refer to our response to question 6 relating to the concept of materiality of findings.

50. South African Institute of Chartered Accountants
• Consistent with the view expressed by the IAASB in paragraph 26 of the Explanatory Memorandum, SAICA is of the view that performing the procedures in an AUP engagement should result in objectively verifiably factual findings and not substantive opinions or conclusions.
• The definition included in paragraph 13(f) of ED-4400 includes the fact that findings are factual results of procedures performed and exclude opinions or conclusion in any form as well as recommendations that the practitioner may make.
• 83% of the survey respondents indicated that they agree with the term “findings” and the related definitions and application material of ED-4400.

51. Wirtschaftsprüferkammer (German Institute)
Basically we agree with the term “findings” and the related definition in ED-ISRS 4400.13 (f). From our understanding, no change to the meaning of the concept factual findings (i.e., factual results) is intended. However, there is a risk that the change in term will be viewed as a change in concept – particularly by users who will not read ISRS 4400 and its definitions. Therefore we would preserve the term “factual findings”.

52. Training and Advisory Services & Chartered Accountants Academy
We agree with the term “findings”) and the related definitions. However, with the supporting material, the phrase “objectively verified” may need further clarity as some AUP findings may have been arrived at through the application of professional judgement which may be difficult to verify.