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10 December 2018

Professional Arnold Schilder  
Chairman  
International Auditing and Assurance Standards Board  
529 Fifth Avenue  
New York  
NY 10017  
USA

Dear Professor Schilder

**Proposed International Standard on Related Services 4400 (Revised) *Agreed-Upon Procedures Engagements***

Crowe Global welcomes the opportunity to comment on the Exposure Draft for Proposed International Standard on Related Services (Revised) *Agreed-Upon Procedures Engagements*. Crowe Global is a leading global network of audit and advisory firms, with members in some 130 countries.

We broadly agree with the approach proposed in the Exposure Draft. A revision of ISRS 4400 has long been needed and we welcome IAASB's efforts to improve and modernise the content and approach of the standard.

Our responses to the questions in the Explanatory Memorandum are given in the Appendix to this letter.

We trust that our comments assist the IAASB in its standard setting activities and we look forward to the progression to an issued standard. We shall be pleased to discuss our comments further with you.

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to read "David Chitty".

David Chitty  
International Accounting and Audit Director

## Appendix – Responses to Request for Comments

Question	Response
<b>Overall Question</b>	
<i>Public Interest Issues Addressed in ED-4400</i>	
1) Has ED-4400 been appropriately clarified and modernized to respond to the needs of stakeholders and address public interest issues?	We consider that ED-4400 has been appropriately clarified and modernised.
<b>Specific Questions</b>	
<i>Professional Judgment</i>	
2) Do the definition, requirement and application material on professional judgment in paragraphs 13(j), 18 and A14-A16 of ED-4400 appropriately reflect the role professional judgment plays in an AUP engagement?	<p>We agree that professional judgment should be addressed in this standard, but in a different context from other assurance engagements.</p> <p>The way that this is addressed in the standard and the application guidance is clear and appropriate. The separate references to “accepting” and “conducting” the engagement are important.</p>
<i>Practitioner’s Objectivity and Independence</i>	
3) Do you agree with not including a precondition for the practitioner to be independent when performing an AUP engagement (even though the practitioner is required to be objective)? If not, under what circumstances do you believe a precondition for the practitioner to be independent would be appropriate, and for which the IAASB would discuss the relevant independence considerations with the IESBA?	There are circumstances in which it is acceptable for the practitioner not to be independent when performing an AUP engagement. It is important to emphasise that the practitioner has to be objective.
4) What are your views on the disclosures about independence in the AUP report in the various scenarios described in the table in paragraph 22 of the Explanatory Memorandum, and the related requirements and application material in ED-4400? Do you believe that the practitioner should be required to make an independence determination when not required to be independent for	The discussion about independence in an AUP engagement is important. Transparency considerations have to prevail, and a brief reference to the state of independence of the practitioner ought to be included in the report. This recognises that the practitioner does not always have to be independent, but means that the circumstances in which the engagement has been conducted are

an AUP engagement? If so, why and what disclosures might be appropriate in the AUP report in this circumstance.	explained in the report.
<i>Findings</i>	
5) Do you agree with the term “findings” and the related definitions and application material in paragraphs 13(f) and A10-A11 of ED-4400?	The way that the term “findings” is used is clear to us, and supported by adequate explanation.
<i>Engagement Acceptance and Continuance</i>	
6) Are the requirements and application material regarding engagement acceptance and continuance, as set out in paragraphs 20-21 and A20-A29 of ED-4400, appropriate?	We consider that the requirements and application material regarding engagement acceptance and continuance are appropriate.
<i>Practitioner’s Expert</i>	
7) Do you agree with the proposed requirements and application material on the use of a practitioner’s expert in paragraphs 28 and A35-A36 of ED-4400, and references to the use of the expert in an AUP report in paragraphs 31 and A44 of ED-4400?	We agree with the proposed requirements and application material.
<i>AUP Report</i>	
8) Do you agree that the AUP report should not be required to be restricted to parties that have agreed to the procedures to be performed, and how paragraph A43 of ED-4400 addresses circumstances when the practitioner may consider it appropriate to restrict the AUP report?	Lifting the restrictions in the extant ISRS 4400 improves flexibility and makes sense.
9) Do you support the content and structure of the proposed AUP report as set out in paragraphs 30-32 and A37-A44 and Appendix 2 of ED-4400? What do you believe should be added or changed, if anything?	We agree with the content and structure of the proposed AUP report.
<b>Request for General Comments</b>	
10) In addition to the requests for specific comments above, the IAASB is also seeking comments on the matters set out below:	

<p>(a) Translations—recognizing that many respondents may intend to translate the final ISRS for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing the ED-4400.</p>	<p>IAASB should consider whether translation issues might arising from the use of the terms “findings” / “factual findings”.</p>
<p>(b) Effective Date—Recognizing that ED-4400 is a substantive revision and given the need for national due process and translation, as applicable, the IAASB believes that an appropriate effective date for the standard would be for AUP engagements for which the terms of engagement are agreed approximately 18–24 months after the approval of the final ISRS. Earlier application would be permitted and encouraged. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the ISRS. Respondents are also asked to comment on whether a shorter period between the approval of the final ISRS and the effective date is practicable.</p>	<p>We agree with the proposal for the extended implementation date.</p>