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International Auditing and Assurance Standards Board
529 Fifth Avenue
New York, NY 10017

International Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements (ISRS 4400) Exposure Draft*

To the International Auditing and Assurance Standards Board:

We appreciate the opportunity to comment on the exposure draft referenced above.

By way of background, Baker Tilly Virchow Krause, LLP is an accounting firm operating across the United States as well as internationally. We have approximately 330 partners and employ more than 3,100 persons. Our practice is diverse, offering accounting and auditing services as well as tax and consulting services across a broad spectrum of industries and geographies.

Our comments will be in the form of responses to specific questions included in the exposure draft as well as other comments that we believe warrant consideration.

Specific Questions

Practitioner's Objectivity and Independence

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?

If a precondition requiring the practitioner to be independent when performing an AUP engagement is not included in ISRS 4400, we believe that the practitioner should be required to determine whether or not they are independent and state that fact in their report. We believe that knowing whether or not the practitioner is independent could affect the judgment of report users, therefore, we believe that fact should be disclosed in the practitioner's report.

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 an AUP engagement? If so, why and what disclosures might be appropriate in the AUP report in this circumstance.

Please see our response to specific question 3) above.

AUP Report

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?

Based on the nature of the practitioner's report (i.e. procedures and findings), we agree that the report should not be required to be restricted to parties that have agreed to the procedures to be performed. We believe that report users should be able to determine whether or not the procedures performed by the practitioner are sufficient for their purposes.

Other Comments

Procedures Inappropriate for the Purpose of the Engagement

Paragraph .21 states, "The practitioner shall not accept the engagement if the practitioner is aware of any facts or circumstances suggesting that the procedures the practitioner is being asked to perform are inappropriate for the purpose of the agreed-upon procedures engagement." We believe that the use of the phrase, "is aware of any facts or circumstances suggesting" is too broad and should be removed from this requirement (i.e. the requirement should be changed to, "The practitioner shall not accept the engagement if the practitioner is aware that ~~of any facts or circumstances suggesting~~ the procedures the practitioner is being asked to perform are inappropriate for the purpose of the agreed-upon procedures engagement." Application guidance could also be added to address situations where the practitioner may be aware of facts or circumstances suggesting that the procedures might be inappropriate, but for which the practitioner has no conclusive evidence.

Acknowledging the Terms of the Engagement

Paragraph .25 requires the practitioner to evaluate whether on recurring engagements the terms of the engagement should be revised and whether there is a need to remind the engaging party of the terms of the engagement. We believe that the practitioner should be required to obtain written acknowledgement from the engaging party stating that they are aware of the existing terms of the engagement.

Written Representations

The exposure draft does not require requesting written representations from either the engaging or responsible parties. We believe that requesting written representations from the responsible and / or engaging parties provides an important foundation for agreed-upon procedures engagements (e.g. by having the responsible and / or engaging parties state that they have provided the practitioner with all information relevant to the engagement such as any contradictory information, regulatory communications, material misstatements, etc.), and therefore, we believe requesting such written representations should be required. We understand that there may be situations where the responsible and / or engaging parties are unable or unwilling to provide such written representations, in those situations, we believe the practitioner should be required to determine the effect, if any, of such inability or unwillingness on the engagement and / or the practitioner's report.

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We appreciate the opportunity to provide the above comments and are available for further discussion with the Board if that would be useful to the process. Should you wish to discuss any of these comments, please contact David Johnson, Professional Practice Group Partner, at david.johnson@bakertilly.com or 608 240 2422.

Sincerely,

A handwritten signature in black ink that reads "Baker Tilly Virchow Krause, LLP". The signature is written in a cursive, flowing style.

BAKER TILLY VIRCHOW KRAUSE, LLP