



# สภาวิชาชีพบัญชี ในพระบรมราชูปถัมภ์

FEDERATION OF ACCOUNTING PROFESSIONS  
UNDER THE ROYAL PATRONAGE OF HIS MAJESTY THE KING

March 14, 2019

International Auditing and Assurance Standards Board (IAASB)  
529 5<sup>th</sup> Avenue  
6<sup>th</sup> floor  
New York, New York 10017

Dear IAASB,

Comment Letter on ED/2019/1 Exposure draft of International Standards on Related Services ISRS 4400 (Revised) Agreed-Upon Procedures Engagements.

The Federation of Accounting Professions of Thailand would like to show our appreciation on the opportunity to comment ED/2019/1 Exposure draft of proposed ISRS 4400 (Revised).

Please find our responses to the specific questions raised in ED/2019/1 in an attachment. We believe that this proposed amendment will help the practitioners in the future and that our comment letter will contribute positively to the IAASB's due process. Should you need more information, please kindly contact the Federation of Accounting Professions of Thailand.

The Federation of Accounting Professions avails itself of this opportunity to the IAASB the assurance of its highest consideration.

Yours sincerely,

Mr. Supot Singhasaneh  
Chairman of Accounting Profession in Auditing Committee  
Federation of Accounting Professions of Thailand  
Bangkok, Thailand

**Comment on exposure draft: Proposed International Standard on Related Services 4400 (revised) – Agreed-Upon Procedures Engagements**

**To: IAASB**

**From: Sub-committee on Auditing Standards and Auditing Techniques**

IAASB issued the exposure draft: Proposed International Standards on Related Services 4400 (revised) – Agreed-Upon Procedures Engagements on November 2018 and request for the comment by 15 March 2019. It was appropriate to respond to the needs of stakeholders and address public interest issues by clarifying and modernizing the standard. However we have several concerns that need more applicable material to support the implementation. First concern is using professional judgment when determining appropriate action on indicated fraud or integrity because it might confuse users over the degree of confidence from the agreed-upon procedure engagements. Next, whether the engagement letter should be revised when practitioner perform additional procedure apart from agreed procedures. Finally, it was how to report finding when practitioner found out the matter related to fraud or integrity.

**Overall Question**

*Public Interest Issues Addressed in ED-4400*

- 1) Has ED-4400 been appropriately clarified and modernized to respond to the needs of stakeholders and address public interest issues?

**Answer:** Yes, it is necessary to improve standard for appropriately clarified and modernized to respond to the needs of stakeholders and address public interest issues.

**Specific Question**

*Professional Judgment*

- 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?

**Answer:** Overall is appropriate however we concern on using professional judgment when determining appropriate action on indicated fraud or integrity of the information relevant to the agreed-upon procedure agreement. To support the implementation, should clarify more about the circumstance, scoping and how to use judgment by providing applicable material that will reduce practitioner's confusing over AUP engagement and Assurance engagement.

### *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?

**Answer:** Yes, we're agreed with not including a precondition for the practitioner to be independent when performing an AUP engagement due to the result of AUP report is the finding which the intend users will consider the finding and conclusion by themselves. Moreover, it is consistence with ethical requirement of IESBA.

- 4) What are your views on the disclosures about independence in the AUP report in the various scenario 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 disclosure might be appropriate in the AUP report in this circumstance.

**Answer:** We're agreed with the disclosures about the independence in the AUP report in the various scenario described in the table in paragraph 22 of the Explanatory Memorandum which it is the same as section 30(f) in the standard. The circumstance that should be required to make an independence determination when not required to be independent for an AUP report, for example, in case that the Stock Exchange of Thailand ask the audit firm who also provide the auditing service to do the special audit over serious matter, then the independence determination will make AUP report and finding have more reliability. For the disclosure that might appropriate for this circumstance, practitioner can use illustration 1 of Appendix 2 "In performing this engagement, we are independent based on our determination in accordance with [Firm policy]".

### *Findings*

- 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?

**Answer:** We're agreed with the term "findings" which mean to the result that prove to be facts.

### *Engagement Acceptance and Continuance*

- 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?

**Answer:** Identifying clearly requirements regarding engagement acceptance and continuance is important. All relevant parties should understand and agree with the audit procedures which should be designed appropriately according to the purpose of report to be used.

And the explanations, in paragraph A25-A26, are provided useful guidance to consider the engagement acceptance. However, we concern whether the engagement letter should be revised when practitioner perform additional procedure apart from agreed procedures when using "Professional Judgment" as mention in question no. 2.

*Practitioner's Expert*

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?

**Answer:** Yes, we're agreed with proposed requirement for the use of the expert in Exposure Draft ISRS 4400.

*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?

**Answer:** We're agreed with the explanation in paragraph A43. In practice, the engaging party sometimes is required to prepare the AUP report in accordance with the requirements of the Government Sector. Therefore, restricting the use of the AUP report should consider who engaging party is and intended users is in order to prevent mislead and misuse information.

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?

**Answer:** The report's structure and content included all necessary information according to the standard requirement. However we concern on the content about additional procedures according to paragraph 30 (l), which states that "Had the practitioner performed additional procedures, other matters might have come to the practitioner's attention that would have been reported". It said that practitioner will report finding from additional procedures so lead to practical question on how to report and who should we report especially finding about fraud or integrity. It was appreciated if the standard mentions more guidance.