



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

15 March 2019

International Auditing and Assurance Standards Board
529 Fifth Avenue
New York, New York 10017
UNITED STATES OF AMERICA

Re: Exposure Draft – Proposed International Standard on Related Services 4400 (Revised)

Thank you for the opportunity to comment on the above noted Exposure Draft. I am responding on behalf of the Office of the Auditor General of Canada.

We offer the following responses to the specific questions posed to respondents and trust that you will find these comment helpful. Should you have any questions, please do not hesitate to contact Gregg Ruthman at (613) 995-3708.

Sincerely,

A handwritten signature in cursive script that reads "Stuart Barr".

Stuart Barr
Assistant Auditor General

cc. Eric Turner
Director, Auditing and Assurance Standards Board

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

Yes, we believe ED-4400 has been appropriately clarified and modernized to respond to the needs of stakeholders and address public interest issues.

Question 2 – Do the definition, requirement and application material on professional judgment in paragraph 13(j), 18 and A14-A16 of ED 4400 appropriately reflect the role professional judgment plays in an AUP engagement?

Yes, we believe the definition, requirement and application material on professional judgment appropriately reflect the role it plays in an AUP engagement. It may be appropriate to also include reference to continuance decisions in the requirement stated in paragraph 18 to address situations of continuing AUP engagements.

Question 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?

Yes, we agree with the proposal to not include a precondition for the practitioner to be independent as we feel the approach taken accommodates jurisdictional differences in ethical requirements, including those in Canada, which require independence for engagements of this nature.

Question 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.

We are supportive of the disclosures about independence in the AUP report as proposed and described in paragraph 22 of the Explanatory Memorandum.

We do not believe that the practitioner should be required to make an independence determination when not required to be independent for an AUP engagement.

Question 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?

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

Question 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?

Yes, the requirements and application material regarding engagement acceptance and continuance are appropriate.

Question 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?

Yes, we agree with the proposed requirements, application material and reporting concerning the use of a practitioner's expert.