

**(NBAA)**

**THE NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS**

**TANZANIA**



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Date: 14<sup>th</sup> March, 2019

Chief Executive Officer,  
International Federation of Accountants,  
International Auditing and Assurance Standards Board,  
529 5th Avenue  
New York, New York 10017.

Dear Sir/Madam

**RE: COMMENTS ON THE EXPOSURE DRAFT FOR THE PROPOSED ISRS 4400  
(REVISED).**

Refer to the heading above.

NBAA as the PAO responsible for the professional training, development and regulation of the accountancy profession in Tanzania and as the member board of the International Federation of Accountants welcomes the opportunity to provide you with our comments on the Exposure Draft for the proposed ISRS 4400 (Revised).

In principle, we are supportive of all the requirements in the Exposure Draft. However, after going through it we came up with the following critical insights which we think can add value to ISRS 4400 (Revised).

**Overall Questions**

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

**Yes:** The ED-4400 has been appropriately clarified and modernized to respond to the needs of stakeholders and address public interest issues.

**Specific Questions:**

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?

**Yes:** We do agree with the definition, requirements and application material on professional judgement.

**Our Suggestion:**

We recommend issues related to professional skepticism should also be included in the definition of professional judgment.

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?

**Our Suggestion:**

Because threat is can be encountered anytime anywhere throughout the performance of AUP engagement, thus independence cannot be substituted with objectivity, therefore we recommend a precondition for the practitioner to be independent to be included.

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.

**Yes:** The disclosures about independence in the AUP report in the table paragraph 22 of the Explanation Memorandum and the related requirements are reasonable.

**Our Suggestion:**

A practitioner should be required to make an independence determination when not required to be independent for an AUP engagement because of dealing with various threats to independence that may arise, by doing the following disclosures.

*We have performed the procedures described below, which were agreed to by [Engaging Party], on the procurement of [xyz] products. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements (“ISRS 4400 (Revised)”). Throughout the engagement we were required to be independent, and we are independent based on our determination in accordance with the independence provisions in [describe the relevant ethical requirements used]. Our firm applies International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.*

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?

**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

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, as set out in paragraphs 20-21 and A20-A29 of ED-4400 are appropriate

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 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

**Our further suggestion**

We recommend the practitioner to analyze issues related to cost and benefit for using expert in an AUP engagement.

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?

**Yes:** We 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

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?

**Yes:** We do 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.

**Request for general comments**

10.

- (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.

**Our Suggestion**

Translation should be allowed but the context should not be interpolated

- (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.

**Our Suggestion**

The period of approximately 18 – 24 months after the approval of the final ISRS is sufficiently enough to support effective implementation of the ISRS, Earlier adoption should be permitted and encouraged.

If you require any clarification on our comments, please contact the undersigned.

Thank you in advance for your cooperation.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Atute'.

CPA Angyelile V. Tende

**For: EXECUTIVE DIRECTOR**