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**Via e-mail**

Correspondant	Notre référence	Votre référence	Date
IAASB	MB/IVB/edw	ED ISRS 4400 (Revised)	05/03/2019

Dear Chairman,

Re: Exposure Draft: Proposed International Standard on Related Services 4400 (Revised), Agreed-Upon Procedures Engagements

The IBR-IRE welcomes the opportunity to comment on the International Auditing and Assurance Standards Board's November 2018 Exposure Draft ("ED"), Proposed International Standard on Related Services 4400 (Revised), Agreed-Upon Procedures Engagements. Please find below our reactions to the different questions.

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

We support this project to revise ISRS 4400. We believe that the IAASB has addressed the topics that needed to be clarified. The revised standard will help us promoting this type of engagement in our jurisdiction.

*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 ?*

We appreciate the effort of the Board to clarify that professional judgement has a role in Agreed-Upon Procedures Engagements. However, we feel that paragraph A14 is clearer than paragraph 18. We therefore suggest elevating paragraph A14 as a requirement and to keep paragraphs A15-A16 as application material. The main reason for suggesting this approach is that paragraph A14 is more informative than paragraph 18 and hence clearer. We live in a jurisdiction where application material cannot add (an) additional requirement(s) or alleviate an existing requirement.

We believe that the last bullet of paragraph A15 is particularly important. When a practitioner while performing an agreed-upon procedure becomes aware of information that is relevant to the engaging party and is in relation to the performed procedure, the

auditor should apply professional judgement in considering whether or not this information should be shared with the engaging party.

*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?*

We agree.

*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.*

Independence is a major characteristic of the profession. We support the approach taken by the Board, this is to be transparent about whether or not the practitioner is independent or not.

We also support that the terms of the engagement may require independence of the practitioner as explained in paragraph A13 in fine. This option may be important when the intended user is a regulator.

*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 are hesitant to use the term “findings”. Although the definition in paragraph 13f is clear, this may not be clear to the readers of the agreed-upon procedures report. In addition, in some languages “findings” could be translated as “conclusions” and this is specifically excluded in paragraph 13f. Also, the Oxford Dictionary explains “findings” as “a conclusion reached by an inquiry”. We would prefer keeping “factual findings” as this will allow more precise translations.

We also find paragraph A11 confusing in an international environment as some jurisdictions could use “findings” while others could continue to use ‘factual findings’. This paragraph is also confusing in the context of translations of the Standard.

We suggest adding a sentence to the AUP-report providing more clarity about the objective of the agreed-upon procedures engagement: “The purpose of the engagement is for the engaging party and intended users to assess for themselves the procedures and findings reported by the practitioner and draw their own conclusions from the work performed by the practitioner.”

*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, these requirements are appropriate. However, it would be more logical that paragraph 21 precedes paragraph 20.

*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 direction taken in the ED. However we have three observations to offer.

It would be beneficial to complement the requirement in paragraph 28b with an additional requirement in the "Engagement acceptance and continuance" section of the Standard, stating that the practitioner shall determine whether to use the work of a practitioner's expert.

We would suggest adding to the list in paragraph 26 an obtaining of understanding of the field of expertise of the practitioner's expert. This would have the benefit of being a mirror of the requirements in ISA 620 – Using the work of an auditor's expert. This requirement should ensure that the expert with right expertise is engaged.

We are not convinced of the relevance of adding a reference to the use of an expert in an AUP report as illustrated in Illustration 2. This has not been done in other engagements and we do not see the added value to add this in an 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 ?*

We agree.

*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?*

See our response to the questions 3, 4 and 7.

The readability of the AUP report could be increased by using headings and subheadings.

10) In addition to the requests for specific comments above, the IAASB is also seeking comments on the matters set out below:

(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.


See our response to question 5.

(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.

We agree. The AUP report should be clear as to whether the extant ISRS 4400 has been followed or the revised version of the Standard.

We hope you find our comments constructive and helpful. If you have any questions regarding these comments, please contact Ms. Inge VANBEVEREN, Head of Professional Expertise and Standards ([i.vanbeveren@ibr-ire.be](mailto:i.vanbeveren@ibr-ire.be)).

Yours sincerely,



Thierry DUPONT  
President