



---

## Invitation to Comment

### Auditing and Assurance Standards Board

---

# Exploring the Demand for Agreed-upon Procedures Engagements and Other Services, and the Implications for the IAASB's International Standards

December 2016

---

**COMMENTS TO THE AASB MUST BE RECEIVED BY  
FEBRUARY 10, 2017**

**COMMENTS TO THE IAASB MUST BE RECEIVED BY  
MARCH 29, 2017**

---

Respondents are asked to email their comment letters (in a Word file) to: [ed.assurancestds@cpacanada.ca](mailto:ed.assurancestds@cpacanada.ca)  
Please address your comments to:

**Eric Turner, CPA, CA**  
Director, Auditing and Assurance Standards  
Auditing and Assurance Standards Board  
277 Wellington Street West  
Toronto ON M5V 3H2

Individuals and organizations are invited to send written comments on the Discussion Paper issued by the International Auditing and Assurance Standards Board's Agreed-upon Procedures Working Group. Comments are requested from those who agree with the views expressed in the Discussion Paper as well as from those who do not.

Comments are most helpful if they are related to a specific paragraph or group of paragraphs. Any comments that express disagreement with the preliminary views in the Discussion Paper should clearly explain the problem and include a suggested alternative, supported by specific reasoning. All comments received by the AASB will be available on the website shortly after the comment deadline, unless confidentiality is requested. The request for confidentiality must be stated explicitly within the response.

---



---

## Highlights

The Auditing and Assurance Standards Board (AASB) is issuing this Invitation to Comment to encourage Canadian stakeholders to provide input on the Discussion Paper, "[Exploring the Demand for Agreed-Upon Procedures Engagements and Other Services, and the Implications for the IAASB's International Standards](#)," issued by the Agreed-Upon Procedures Working Group of the International Auditing and Assurance Standards Board's (IAASB).

## Background

Significant changes in the business and regulatory environments, including growth in regulations and increased accountability on how funds and grants are used have driven demand for agreed-upon procedures engagements either as a stand-alone engagement or in combination with other engagements. The IAASB has established the Working Group to explore agreed-upon procedures engagements and other more holistic issues related to such engagements, and to inform the IAASB's decisions regarding these matters.

### *Working Group Discussion Paper*

The Working Group Discussion Paper provides more in-depth discussions on:

- the role of professional judgment and professional skepticism in an agreed-upon procedures engagement;
- the independence of the professional accountant;
- terminology in describing procedures and reporting factual findings in an agreed-upon procedures engagement report;
- agreed-upon procedures engagements on non-financial information;
- using the work of an expert;
- format of the agreed-upon procedures engagement report;
- agreed-upon procedures engagement report restrictions;
- recommendations made in conjunction with agreed-upon procedures engagements; and
- multi-scope engagements (engagements that consist of two or more distinct engagements such as an agreed-upon procedures engagement combined with an assurance engagement).

---

## Importance of Canadian stakeholder responses

In developing this Discussion Paper, the Working Group has obtained preliminary input from a number of Canadian stakeholders, including regulators, users of agreed-upon procedures engagements, and practitioners who perform agreed-upon procedures engagements. The AASB notes that agreed-upon procedures engagements are often performed in Canada, either as a stand-alone engagement or in combination with other engagements within the CPA Handbook – Assurance (a “multi-scope” engagement). The Discussion Paper seeks stakeholders’ input as to whether the IAASB should address multi-scope engagements and, if so, the prioritization of the project to address such engagements.

The AASB adopts International Standards on Auditing (ISAs) as Canadian Auditing Standards (CASs). However, decisions on whether to adopt other international standards (including International Standard on Related Services (ISRS) 4400, *Engagements to Perform Agreed-upon Procedures Regarding Financial Information*) are made by the AASB on a case-by-case basis. For those other standards, the AASB performs an assessment involving consideration of a number of matters related to whether the proposed international standard would be in the Canadian public interest and would meet the needs of Canadian stakeholders. Therefore, the AASB is closely monitoring this international project.

The AASB believes that Canadian viewpoints are important in informing the IAASB on the development of a standard-setting project proposal to revise ISRS 4400 and other activities that may be necessary.

## Responding to the Working Group Discussion Paper

Canadian stakeholders are encouraged to provide comments on all questions in the Discussion Paper, and provide the AASB with a copy of the response. Comments should be sent directly to the IAASB by the comment deadline of March 29, 2017. If copies of responses to the IAASB are received by the AASB before February 10, 2017, the AASB will be able to take Canadian stakeholders’ comments into account in formulating its own response to the IAASB.

Comments are most helpful if they are related to a specific question in the Discussion Paper. When a respondent agrees with a preliminary view expressed by the Working Group, it will be helpful for the AASB to be made aware of this view.

## Responding to the AASB Invitation to Comment

Subject to input from Canadian stakeholders and the IAASB’s decisions regarding multi-scope engagements, the AASB will consider whether a Canadian project on multi-scope engagements is necessary. The AASB is particularly interested in Canadian stakeholders’ views on multi-scope engagements (Questions 14 and 15 in the Discussion Paper).

---

In addition to the questions posed in the Working Group Discussion Paper, the AASB would welcome views on whether there are any issues particular to Canada that have not been identified in the Discussion Paper. If so, please describe.

The deadline for providing your comment letter to the AASB is February 10, 2017. You may email your comments (in a Word file) to: [ed.assurancestds@cpacanada.ca](mailto:ed.assurancestds@cpacanada.ca)

---

© 2016 Chartered Professional Accountants of Canada

Excerpts from and/or links to this publication may be used, provided that full and clear credit is given to the appropriate Financial Reporting & Assurance Standards Canada board, oversight council, committee or individual author, with appropriate and specific direction to the original content.

For assistance with crediting this publication, please contact  
[fras-nifc-canada@cpacanada.ca](mailto:fras-nifc-canada@cpacanada.ca).

---