



# Board Meeting Summary Paper

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**Subject:** Agreed-upon Assurance Procedures Engagements

**Date:** 8 September 2010

AUASB  
AGENDA  
ITEM NO.

8

Meeting Date:  
13 September

2010

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**Action Required**

**For Information Purposes Only**

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## Agenda Item Objectives

1. To consider and provide comments on a revised draft ASAE on agreed-upon assurance procedures engagements.
2. To consider the issues raised in this paper.

## Background

At the 19 April 2010 meeting, the Board considered an earlier draft ASAE on agreed-upon assurance procedures engagements. That earlier draft dealt with “specified assurance procedures engagements” and contemplated that these narrow scope engagements could provide either reasonable, limited or no assurance. The Board considered that this was confusing and requested that the term “specified assurance” not be used and that only no assurance engagements be dealt with in this standard.

## Matters to Consider

Since the April Board meeting, the Project Advisory Group have met twice and have considered further drafts of the ASAE. A draft ASAE is now presented for the Board’s consideration and comment, in a clean version and marked up version since the April Board meeting. The Board is asked to provide comments on the draft ASAE, which may be addressed in a final exposure draft to be presented for approval at the 29 November Board meeting and exposed until 31 January 2011.

The ASAE now has been drafted for “agreed-upon assurance engagements” in order to exclude compilations, consulting, taxation, business services and other engagements conducted by other practitioners which are unlikely to be confused with an assurance engagement. The ASAE has also been limited to engagements which are conducted by “assurance practitioners” as again they are more likely to be confused with assurance engagements.

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The draft provides extensive requirements and application material on the appropriate acceptance of agreed-upon assurance procedures engagements and reporting to differentiate these engagements from assurance engagements.

In considering the draft ASAE, we request the Board to confirm whether they are supportive of the approach taken in the draft ASAE with respect to:

1. Application of the ASAE being limited to “assurance procedures”.
2. Application of the ASAE being limited to “assurance practitioners”, with an option for other practitioners to apply the ASAE (see para.1-2).
3. Applicability of the ASAE to any subject matter, as the ASAE is not limited to financial information.
4. The level of independence required of the assurance practitioner, being equivalent to “other assurance engagements” under APES 110 Section 291.
5. The definition of “assurance procedures” (see para.15).
6. The circumstances in which an agreed-upon assurance procedures engagement cannot be accepted (see para.20).
7. The disclaimer contained in the last paragraph of Appendix 3.
8. Requests for Comments – identify any additional questions for stakeholders.

### **Staff Recommendations**

We recommend that the Board identify matters which require amendment to enable a final exposure draft to be prepared and presented for approval at the 29 November 2010 Board meeting.

### **Material Presented**

Agenda Item 8	Board Meeting Summary Paper
Agenda Item 8.1	ED 0X/10 Proposed Standard on Assurance Engagements ASAE XXXX <i>Agreed-Upon Assurance Procedures Engagements</i> (Clean Version)
Agenda Item 8.2	ED 0X/10 Proposed Standard on Assurance Engagements ASAE XXXX <i>Agreed-Upon Assurance Procedures Engagements</i> (Marked Up Version)

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