



Board Meeting Summary Paper

Subject: ASRS 4400 *Agreed-upon Procedures to Report Factual Findings*
Date: 5 April 2011

AUASB AGENDA ITEM NO. 6
Meeting Date: 18 April 2011

X Action Required

For Information Purposes Only

Agenda Item Objectives

1. To approve ASRS 4400 *Agreed-upon Procedures to Report Factual Findings* to be issued as a final standard, subject to final QA.
2. To withdraw AUS 904 *Engagements to Perform Agreed-upon Procedures* with effect from the operative date of ASRS 4400.

Background

ASRS 4400 was issued as an exposure draft in December 2010 for public comment, with comments requested by 8 February 2011. Eight comment letters were received. These comments were presented with the proposed response at the February Board meeting.

The key decisions made at the Board meeting in response to the comment letters were:

- A. The standard would be issued as a Standard on Related Services (ASRS) rather than a Standard on Assurance Engagements (ASAE) to reduce confusion with respect to whether assurance is to be provided.
- B. The term “assurance procedures” would be replaced with “procedures of an assurance nature” and referred to throughout the standard as the “agreed-upon procedures” again so that these engagements were not confused with the provision of assurance.
- C. Applicability to assurance practitioners to be retained, as well as the option for practitioners other than assurance practitioners to apply the standard.
- D. Confirmed the need for a positive obligation on the assurance practitioner to determine if they are independent and to state as much in the terms of engagement and the report of factual findings.

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E. Agreed to delete the term “explicit” assurance as it implied assurance was being provided implicitly.

In addition the Board requested that the standard should:

- Highlight that, although professional judgement is not exercised in the conduct of the engagement, the assurance practitioner exercises competence and skill in conducting the procedures and in this way adds value to the engagement. The Board confirmed that professional judgement could be used in assisting the engaging party to determine the agreed-upon procedures.
- Refer to agreed-upon assurance engagements pursuant to ASA 600.

Matters to Consider

The decisions made at the February Board meeting as noted above have been addressed in amendments to ASRS 4400 along with amendments in consideration of the additional detailed comments received on exposure. A summary of the manner in which these decisions and comments were addressed is included in Agenda Item 6.1. The marked-up standard (Agenda Item 6.2) presented for approval shows all amendments from ED 03/10.

The Board is asked to consider the amendments made to address the issues raised on exposure and determine whether any additional amendments are required in order to approve ASRS 4400 for issue.

AUASB Technical Group Recommendations

We recommend that:

1. ASRS 4400 be issued as a final standard following a final QA review, operative for periods commencing 1 July 2011.
2. AUS 904 be withdrawn effective from periods commencing 1 July 2011 when it is replaced with ASRS 4400.

Material Presented

Agenda Item 6	Board Meeting Summary Paper
Agenda Item 6.1	Attachment to Board Meeting Summary Paper
Agenda Item 6.2	ASRS 4400 <i>Agreed-upon Procedures to Report Factual Findings</i> (Marked Up)
Agenda Item 6.3	ASRS 4400 <i>Agreed-upon Procedures to Report Factual Findings</i> (Clean) – to follow

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Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1.	Decision to issue ASRS 4400 as a final standard	Board decision	AUASB	18-19 April	Pending
2.	Decision to issue withdraw AUS 904	Board decision	AUASB	18-19 April	Pending

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