
INDEPENDENT REGULATORY BOARD FOR AUDITORS
COMMITTEE FOR AUDITING STANDARDS

**IRBA Board Adopts International Standard on Related Services 4400 (Revised):
Agreed-Upon Procedures Engagements**

Johannesburg / 3 November 2020

The International Auditing and Assurance Standards Board (IAASB) issued International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements* (ISRS 4400 (Revised)) on 3 April 2020.

Subsequently, at its meeting on 29 October 2020, the Board of the Independent Regulatory Board for Auditors (IRBA) approved ISRS 4400 (Revised) for adoption, issue and prescription for use by registered auditors in South Africa.

This revised ISRS is effective for agreed-upon procedures engagements for which the terms of engagement are agreed on by or after 1 January 2022.

Changes in Substance

- Scope and Responsibilities
 - The scope now covers Agreed-upon Procedures (AUP) engagements on both financial and non-financial subject matters.
 - New requirements and application material clarify the practitioner's responsibilities in relation to the various parties involved in an AUP engagement, such as the engaging party, the intended users of the AUP report and the responsible party for the subject matter on which the AUP are performed.
- Compliance with Independence Requirements
 - New requirements and application material recognise that, even when the practitioner may not be required (for example, by law or regulation, an ethics code or contract) to comply with independence requirements, the practitioner may agree with the engaging party that compliance with independence requirements is appropriate for the purpose of the AUP engagement.
- Professional Judgment
 - There are new requirements and supporting application material for the practitioner to exercise professional judgment throughout the engagement, including in accepting, conducting and reporting on the AUP engagement, taking into account the circumstances of the engagement.
- Engagement Acceptance and Continuance
 - The revised ISRS introduces new requirements and application material in relation to engagement acceptance and continuance considerations.

- Using the Work of a Practitioner's Expert
 - New requirements and application material provide guidance on how a practitioner's expert can assist the practitioner in an AUP engagement.
- The Agreed-Upon Procedures Report
 - There is enhanced transparency on:
 - The responsibilities of the various parties involved in an AUP engagement; and
 - Whether or not the practitioner is required to comply with independence requirements; and if so, the relevant independence requirements applicable.
 - There is new application material to guide the practitioner in deciding on whether to restrict the use or distribution of the AUP report.
 - New reporting requirements and application material address circumstances when a summary of findings is provided in the AUP report and when the practitioner is undertaking an AUP engagement together with another engagement.

This revised ISRS may be downloaded from the IRBA website at www.irba.co.za.

Implementation Guidance

The following guidance material is also available on the IAASB website:

- [Introduction to ISRS 4400 \(Revised\): Fact sheet.](#)

Should you have any further queries, please do not hesitate to contact the Standards Department by emailing standards@irba.co.za.

Imran Vanker
Director: Standards

About the IRBA

The objective of the IRBA is to endeavour to protect the financial interests of the South African public and international investors in South Africa through the effective and appropriate regulation of audits conducted by registered auditors, in accordance with internationally recognised standards and processes.

The statutory responsibilities of the Committee for Auditing Standards are to assist the IRBA to develop, maintain, adopt, issue or prescribe auditing pronouncements; to consider relevant international changes by monitoring developments by other auditing standard-setting bodies and sharing information where requested; and to promote and ensure the relevance of auditing pronouncements.