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# ISRS 4400 (Revised)

Presenter: **Lettie Janse van Vuuren CA(SA)**

**13 AUGUST 2020**

*Agreed-Upon Procedures (AUPs)  
(Revised April 2020)*

# Presenter

## Lettie Janse van Vuuren CA(SA), RA, CBA(SA)

- Lettie joined SA Accounting Academy in November 2017 as Head of Technical. She is a Chartered Accountant, Registered Auditor and Certified Business Accountant.
- She is a **professional trainer and webinar host**, and with her relaxed and humorous presentation style, she is able to hold the attention of an audience. She has a unique ability to communicate with delegates at their respective levels of knowledge and experience. Over the last 20 years, she has trained thousands of partners, managers, trainee accountants and other professionals.
- She is responsible for our MCLU (Monthly Compliance and Legislation Updates).
- She was the Professional Development Manager at SAICA for 4 years and in charge of accrediting new training offices and monitoring existing ones (including the moderation of training offices and trainee assessments).
- Lettie is passionate about improving the efficiency and standardisation at practices. She has extensive experience on a variety of technical and practical topics which she consults on, including: SAICA re-accreditation assistance and preparation, IRBA inspection assistance and preparation, audit file reviews (post-issuance monitoring and EQCR), Quality control implementation, other office-specific manuals, and FASSET skills development facilitation.



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To ask questions and interact during the webinar please use the chat sidebar to the right of the video / presentation on the screen.

Feel free to ask your questions during the webinar in the chat, these will be addressed in the formal Q & A at the end of the presentation.

**Where appropriate, a **Q & A Summary** will be uploaded to your profile as soon as all answers have been documented.**

# WHAT'S ON THE AGENDA?

# Table of Contents

- Module 1: Introduction
- Module 2: The Basics of AUPs
- Module 3: Contents of the Revised ISRS 4400
- Module 4: Summary of changes in this Revised standard
- Module 5: Bonus Documents



# Quote

*“Facts cannot be observed without  
the guidance of some theory”*

- Auguste Comte



# MODULE 1

## INTRODUCTION

# Introduction

The following items are dealt with here:

1. General

- ❑ Abbreviations used

2. IAASB Press Release

➤ *Refer to Webinar Material for detail*



# MODULE 2

# THE BASICS OF AUPs

# The Basics of AUPs

The following items are dealt with here:

1. What is an AUP engagement?
2. When is it appropriate to use an AUP?
3. Examples of AUPs
4. Benefits of AUPs
5. AUPs on Financial and Non-financial information
  - By Regulation
  - By Demand

➤ *Refer to Webinar Material for detail*

# What is an AUP?

- It is where the practitioner provides a report based on **factual findings** regarding information – as **AGREED UPON** with the client
- **No assurance** is expressed
- Instead, **users of the report assess for themselves** the procedures and findings reported by the practitioner **and draw their own conclusions** from the work
- The **report is not distributed publicly** – it is restricted to those parties that have agreed to the procedures
- The engagement should be based on the IAASB's ISRS 4400: Engagements to Perform Agreed-Upon Procedures Regarding Financial Information

# When to use AUPs

## When is it appropriate to use an AUP?

- When an audit is not needed, but some form of confirmation is required
- When users understand the benefits of AUPs and want to reap them
- The wide answer is... **WHENEVER POSSIBLE!**
- AUP engagements have the potential to be an attractive and fast-growing service offering to SMEs
- This offers a rare opportunity to practitioners to expand their practices

# Examples of AUPs

## **Financial & Non-financial**

- The entity's financial statements or specific classes of transactions, account balances or disclosures within the financial statements.
- Eligibility of expenditures claimed from a funding program.
- Revenues for determining royalties, rent or franchise fees based on a percentage of revenues.
- Capital adequacy ratios for regulatory authorities

## **Non-financial**

- Numbers of passengers reported to a civil aviation authority.
- Observation of destruction of fake or defective goods reported to a regulatory authority.
- Data generating processes for lottery draws reported to a regulatory authority.

➤ ***Refer to Webinar Material for detail***

# Benefits of an AUP

- ✓ AUP engagements offer flexibility, as the service can be tailored to different circumstances and focused on individual items of financial data.
- ✓ Users may request specific work be performed to satisfy financing or supplier needs.
- ✓ External users can also specify the format of required reporting.
- ✓ Factual findings may be reported with respect to the effective operation of particular financial reporting processes and controls.
- ✓ A report of factual findings can be included as a supplement to the financial statements adding credibility and comfort to management and staff.
- ✓ *And of course...CHEAPER THAN AN AUDIT!*

# MODULE 3

# CONTENTS OF THE REVISED ISRS 4400

# The Revised ISRS 4400

The following items are dealt with here:

1. Effective Date
2. Contents
3. Objective
4. Requirements
5. Application Material
6. Appendices

➤ *Refer to Source Document **ISRS 4400***



# Revised ISRS 4400: APR2020

## Effective date

- This Revised ISRS 4400 is effective for agreed-upon procedures engagements for which the terms of engagement are agreed **on or after 1 January 2022**

## Requirements

- Relevant ethical requirements
- Professional judgment
- Acceptance and Continuance
- Planning and Procedures
- Reporting
- Documentation



***Refer to Source Document available to you***

# MODULE 4

## SUMMARY OF SIGNIFICANT CHANGES IN THIS REVISED STANDARD

# Summary of Changes

The following items are dealt with here:

Based on **IAASB Fact Sheet on ISRS 4400**

1. Scope and Responsibilities
2. Compliance with Independence Requirements
3. Professional Judgment
4. Engagement Acceptance and Continuance
5. Using the Work of a Practitioner's Expert
6. The Agreed-Upon Procedures Report

➤ ***Refer to Webinar Material for detail***

# MODULE 5

# BONUS DOCUMENTS

# Bonus Documents

The following items are dealt with here:

- 1. Growing your practice with Agreed-Upon Procedures engagements**
- 2. AUPs – A Growth & Value Opportunity**
  - 6 Case Study examples

➤ ***Both of these are available to you as Bonus Documents***

# QUESTIONS?



# Formal Q&A Session

We will now take a **quick comfort break** before we discuss some questions received during the webinar.

Remember: A Q&A summary will also be uploaded to your profile

If you would like to e-mail a question please use:

[technicalquestions@accountingacademy.co.za](mailto:technicalquestions@accountingacademy.co.za)

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**Thank you for your  
participation!**



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