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To Whom it may concern

Invitation to comment – NZAuASB ED 2020-2, Proposed International Standard on Related Services (New Zealand) (ISRS (NZ)) 4400, Agreed-upon Procedures Engagements

KPMG welcomes the opportunity to provide comments on the above mentioned exposure draft.

KPMG is supportive of the NZAuASB's proposal to adopt the international standard and agree there are no compelling reasons that would require modification of the international standard for adoption here in New Zealand.

Our comments to the questions you seek comment on are included below.

Question 1

Do you agree that the practitioner is not required to be independent when performing an AUP engagement? If not, please explain why not.

We agree with this.

Question 2

Do you agree that the AUP report should not require a restriction on use or distribution paragraph? If not, please explain why not.

We agree that whether to include a restriction on use or distribution paragraph should be a decision for the practitioner on a case by case basis. Given that the ED does not preclude the use of a restriction paragraph we are likely to continue to include such a paragraph in the majority of our AUP reports.

Question 3

Do you support the way in which the exercise of professional judgement is dealt with in the exposure draft? If not, please explain why not.

Yes, we do. Specifically, we agree that it is beneficial to have examples for accepting, conducting and reporting on the engagement, but also support the fact that the ED includes clarification that the need for the practitioner to exercise professional judgement is limited.



Question 4

Is use of the term relevant quality control standards clear? If not, please explain why not and provide suggestions as to an alternative way to describe the relationship to quality control standards.

Yes, we agree that the footnote explaining "For related services engagements, including agreed-upon procedures engagements, relevant quality control standards means PS-1 *Quality Control* issued by the New Zealand Institute of Chartered Accountants" makes it clear what the term relevant quality control standards mean. This should be updated based on any revisions to PES 3.

Question 5

Do you agree with the proposed effective date? If not, please explain why not.

Yes, we agree.

Other than noted above, we do not have any additional comments.

Yours sincerely

A handwritten signature in black ink that reads 'Darby Healey'. The signature is written in a cursive, flowing style.

Darby Healey
Partner