



10 September 2020

File Ref: AU/APS/2-0002

April Mackenzie  
Chief Executive  
External Reporting Board  
PO Box 11-250  
Manners Street Central  
WELLINGTON 6142

Dear April

**EXPOSURE DRAFT NZAuASB 2020-2 - PROPOSED INTERNATIONAL STANDARD ON RELATED SERVICES ENGAGEMENTS (NEW ZEALAND) – AGREED-UPON PROCEDURES ENGAGEMENTS**

Thank you for providing the opportunity to comment on *Exposure Draft NZAuASB 2020-2 - Proposed International Standard on Related Services Engagements (New Zealand) – Agreed-Upon Procedures Engagements* (the Exposure Draft).

We have no particular comments to make, and we agree with the requirements set out in the Exposure Draft. Our responses to the questions raised by the NZAuASB are as follows:

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

Yes, we agree that the practitioner is not required to be independent. However, if the practitioner is the auditor of the entity over which the AUP procedures are to be applied, the practitioner cannot compromise their independence as the auditor.

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

Yes, we agree that the AUP report should not require a restriction on its use or distribution. We note that the standard permits a restriction on use or distribution paragraph to be included, if appropriate.

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 agree with the way in which the exposure draft deals with the exercise of professional judgement.

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, the term “relevant quality control standards” is clear.

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

Yes, the proposed effective date of the exposure draft, for agreed-upon assurance engagements entered into on or after 1 January 2022, seems reasonable.

6. *Do you have any other comments?*

We have no other comments.

If you have any questions about our submission please contact Roy Glass at [roy.glass@oag.parliament.nz](mailto:roy.glass@oag.parliament.nz) or me at [todd.beardsworth@oag.parliament.nz](mailto:todd.beardsworth@oag.parliament.nz).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'T. Beardsworth', with a long horizontal stroke extending to the right.

Todd Beardsworth  
Assistant Auditor-General  
Audit Quality Group