

## Proposed Disposition of the Present Tense and Other Statements in the Proposed ISA 610 (Redrafted)

### I. Those That Have Been Elevated to a Requirement

§ in Extant ISA	Statements	§ in Redrafted ISA	Rationale or Comments
13(a)	Any constraints or restrictions placed on internal auditing by management would need to be carefully considered.	8	Use of would in this instance establishes a conditional requirement.
17	<p>The evaluation of specific work of internal auditing involves consideration of the adequacy of the scope of work and related programs and whether the assessment of the internal auditing remains appropriate. This evaluation may include consideration of whether:</p> <p>(a) The work is performed by persons having adequate technical training and proficiency as internal auditors and the work of assistants is properly supervised, reviewed and documented;</p> <p>(b) Sufficient appropriate audit evidence is obtained to be able to draw reasonable conclusions;</p> <p>(c) Conclusions reached are appropriate in the circumstances and any reports prepared are consistent with the results of the work performed; and</p> <p>(d) Any exceptions or unusual matters disclosed by internal auditing are properly resolved.</p>	11	Matters that it is necessary for the auditor to consider in evaluating the work of the internal audit function.

### II. Those That Have Been Treated as Application Material and Redrafted

§ in Extant ISA	Statements	§ in Redrafted ISA	Rationale or Comments
6	The external auditor's primary concern is whether the financial statements are free of material misstatement.	2	Redrafted linking to the objective of the auditor to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement.
8	The external auditor has sole responsibility for the audit opinion expressed, and that responsibility is not reduced by any use made of internal auditing.	4	Statement of fact.
13(b)	The external auditor would also need to consider whether management acts on internal audit recommendations and how this is evidenced.	A5	One of the considerations when the auditor is assessing the internal audit function.
14	When planning to use the work of internal auditing, the external auditor will need to consider	A6	Desirable, but not essential.

§ in Extant ISA	Statements	§ in Redrafted ISA	Rationale or Comments
	internal auditing's tentative plan for the period and discuss it at as early a stage as possible.		
14	Where the work of internal auditing is to be a factor in determining the nature, timing and extent of the external auditor's procedures, it is desirable to agree in advance the timing of such work, the extent of audit coverage, materiality levels and proposed methods of sample selection, documentation of the work performed and review and reporting procedures.	A7	Desirable, but not essential.
15	Liaison with internal auditing is more effective when meetings are held at appropriate intervals during the period. The external auditor would need to be advised of and have access to relevant internal auditing reports and be kept informed of any significant matter that comes to the internal auditor's attention which may affect the work of the external auditor. Similarly, the external auditor would ordinarily inform the internal auditor of any significant matters which may affect internal auditing.	A8	Guidance
18	The nature, timing and extent of the audit procedures performed on the specific work of internal auditing will depend on the external auditor's judgment as to the risk of material misstatement of the area concerned, the assessment of internal auditing and the evaluation of the specific work by internal auditing. Such audit procedures may include examination of items already examined by internal auditing, examination of other similar items and observation of internal auditing procedures.	A9, A10	Guidance

## II. Those That Have Been Deleted

§ in Extant ISA	Statements	§ in Redrafted ISA	Rationale or Comments
19	The external auditor would record conclusions regarding the specific internal auditing work that has been evaluated and the audit procedures performed on the internal auditor's work.	N/A	Deleted – covered by the requirements of ISA 230.