

**INTERNAL AUDIT – ISSUES PAPER****Introduction**

1. The IAASB approved the exposure draft of proposed ISA 610 (Redrafted) (“ED 610”) at its December 2006 meeting. The comment deadline was March 31, 2007. The IAASB received 48 comment letters. A list of respondents is included in the Appendix to this paper.
2. Overall, respondents were supportive of the redrafting, with many expressing the view that ED 610 was an improvement over extant ISA 610. Most of the significant comments focused on specific proposals in the requirements section. There were relatively fewer comments on the proposed guidance in the application material.
3. A few respondents (ACCA, APB, Basel, CEBS, PWC and NIVRA) expressed the view that they did not support the exposure draft. ACCA expressed concern that “the clarity drafting has disguised a significant change in the scope of the proposed ISA that will add unjustified costs to all audits; the terminology has been changed unnecessarily and there is no definition of the new term “internal audit function; and many of the proposed requirements are confusingly worded and without justification.”
4. Others (APB and PWC) also expressed concern that ED 610 was less clear than extant ISA 610 in setting out a logical flow to the external auditor’s consideration of the internal audit function and, where relevant, use of the work of internal auditors.
5. A number of respondents,<sup>1</sup> including some of those who expressed support for ED 610, expressed the view that ISA 610 is in need of revision rather than redrafting (see Section E of this paper).
6. The following section summarizes the significant comments received from respondents and the task force’s preliminary views and recommendations.

**Significant Comments****A. OBJECTIVES**

7. The objective of ED 610 states:

“The objective of the external auditor is to obtain an understanding of the internal audit function and determine whether the activities of the internal audit function are relevant to planning and performing the audit and, if relevant, the effect on the procedures performed by the external auditor.”
8. Of those who commented specifically about the appropriateness of the objective, approximately two thirds of respondents<sup>2</sup> believed that the objective was appropriate. However, some of those who indicated that the objective was appropriate also indicated that it could be better drafted or that it could better reflect the underlying requirements.

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<sup>1</sup> DTT, KPMG, NAO, NIVRA, AFEP, APB, Basel, CEBS, IIA.

<sup>2</sup> ACAG, AICPA, AUASB, AC, CICA, CIPFA, DTT, EYG, GTI, FARSRS, HKICPA, ICAI, ICA Ire, ICAP, ICAS, ICJCE, ICPAS, IIA, IRBA, KPMG, Mazars, PAS, SNAO, ZICA.

9. Other respondents<sup>3</sup> did not agree that the objective was appropriate. Of those, some (Basel, CEBS, IOSCO, PWC, NZICA) expressed concern that it was too process-oriented and needed to be more outcome-based.
10. Others (ACCA, BDO, ICAEW, IDW, HKICPA, NAO) questioned whether the auditor's understanding of the internal audit function was a necessary component of the objective in ISA 610. These respondents linked the auditor's understanding of the internal audit function to the entity's system of internal control and therefore to the requirements in ISA 315 (Redrafted)<sup>4</sup> and ISA 330 (Redrafted).<sup>5</sup>
11. FEE and IBR-IRE expressed concern that the proposed objective gives the impression that the auditor must use the work of internal auditors when that work is relevant. Similarly, CNCC suggested that the objective should be better articulated between the determination of the relevance of the internal audit function to the external auditor, and the determination of the extent to which the external auditor can use the work of internal auditors as audit evidence.
12. The task force agrees with respondents that the understanding of the entity that the auditor is required to obtain in accordance with ISA 315 (Redrafted) includes obtaining an understanding of the internal audit function. Accordingly, the task force believes that it is not necessary for the objective of proposed ISA 610 (Redrafted) to address the auditor's understanding of the entity.
13. In responding to other concerns expressed by commentators, the task force reviewed the objectives of other proposed ISAs. The task force believes that drafting the objective on a basis similar to the objective of proposed ISA 620 (Redrafted)<sup>6</sup> is appropriate. Accordingly, the task force is proposing the following objective in paragraph 5 of the proposed ISA, modeled on the objective in proposed ISA 620:
  5. The objectives of the external auditor, where the entity has an internal audit function whose activities the external auditor has determined are relevant to the audit, are:
    - (a) To determine whether to use the work of internal auditors; and
    - (b) If using the work of internal auditors, to determine whether that work is adequate for the purposes of the audit.
14. The task force believes that the proposed objective is outcome-based and addresses concerns raised by respondents.

***Action requested***

Does the IAASB agree that the proposed objective as revised is appropriate?

<sup>3</sup> AFEP, APB, Basel, BDO, CEBS, FEE, IAIS, IBR-IRE, ICAEW, NAO, PWC, NZICA, CNCC, IOSCO.

<sup>4</sup> ISA 315 (Redrafted) "Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment."

<sup>5</sup> ISA 330 (Redrafted) "The Auditor's Response to Assessed Risks."

<sup>6</sup> Proposed ISA 620 (Redrafted), "Using the Work of an Auditor's Expert."

## B. DEFINITIONS

15. As part of the redrafting process, references in extant ISA 610 to “internal auditor” and “internal auditing” were changed to the “internal audit function.” One respondent questioned whether this change was appropriate.<sup>7</sup> Several others suggested that a definition is needed.<sup>8</sup> IDW also noted that ED 610 was confusing in its use of “internal audit function” as the term internal audit function was being used interchangeably to refer to both the activities of the function and the people performing the work.
16. The task force accepts the arguments put forward by the respondents and proposes to define both “internal audit function” and “internal auditors.”
17. Two respondents (IIA and IIA-A) suggested using the definition of “internal auditing” contained in *The International Standards for the Professional Practice of Internal Auditing* issued by The Institute of Internal Auditors. That definition defines “internal auditing” as “an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”
18. The task force considered the IIA definition and determined that it is not appropriate for purposes of this ISA. The task force view is that the internal audit function is a part of the entity and therefore reference to internal auditing being an “*independent, objective assurance and consulting activity*” is not appropriate. [Emphasis added]
19. The task force also considered the existing terms in the IAASB literature. Extant ISA 610 defines “internal auditing” as “an appraisal activity established within an entity as a service to the entity. Its functions include, amongst other things, monitoring internal control.”
20. In the Glossary of Terms, “internal auditing” is defined as “an appraisal activity established within an entity as a service to the entity. Its functions include, amongst other things, *examining, evaluating and* monitoring the adequacy and effectiveness of internal control.” [Emphasis added]
21. The task force believes that extant ISA 610 applies not only to traditional “internal auditors” but also to those individuals who perform the activities or functions of an internal auditor. These individuals will not always be referred to as “internal auditors,” (e.g., compliance function); nevertheless, the role they play in the organization is important to the external auditor’s consideration of risk assessment and the determination of the nature, timing and extent of procedures to be performed.
22. In drafting the definition of “internal audit function” in the proposed ISA, the task force considered the language in extant ISA 610 and the Glossary of Terms. In addition, the task force considered the language in ISA 315 (Redrafted), paragraph A95, which refers to a “management monitoring activity.” The task force deleted the language “within an entity” as an internal audit function may be outsourced.

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<sup>7</sup> ACCA

<sup>8</sup> Basel, FEE, IDW, IRBA.

23. Accordingly, the proposed ISA defines the “internal audit function” as:<sup>9</sup>

6(a) ~~“an appraisal activity established within an entity as a service to the entity and conducted, for example, by an internal audit department or a compliance department. Its functions include, amongst other things, examining, evaluating and monitoring the adequacy and effectiveness of internal control.”~~ ***a management monitoring activity***

24. “Internal auditors” are defined as “those individuals who perform the activities of the internal audit function.”

25. The task force believes that defining the terms “internal audit function” and “internal auditors” in this way is consistent with extant ISA 610 and supports the notion that extant ISA 610 is applicable when there is not a traditional internal audit function.

***Action requested***

Does the IAASB agree with the proposed definitions of “internal audit function” and “internal auditors”?

**C. REQUIREMENTS**

26. A majority of respondents<sup>10</sup> were of the view that the criteria identified by the IAASB for determining whether a requirement should be specified had been applied appropriately and consistently, such that the resulting requirements promote consistency in performance and the use of professional judgment by auditors. Many of these respondents also provided specific suggested improvements.

27. Other respondents<sup>11</sup> were of the view that the criteria for determining whether a requirement should be specified had not been applied appropriately and consistently. These respondents generally were concerned that ED 610 was less clear than extant ISA 610 and as such, would not promote consistency in performance and the use of professional judgment by auditors. Further, these respondents were concerned that ED 610 introduces a structure that does not set out a logical flow for determining whether and how the work of the internal audit function might be relevant for the purposes of the audit. This view was also expressed by other respondents who expressed support that the criteria had been applied appropriately and consistently.

***(i) Obtaining an Understanding of the Internal Audit Function – Agenda Item 10-B, conforming amendment to ISA 315.***

28. Paragraph 7 of ED 610 states, “The external auditor shall obtain an understanding of the internal audit function in conjunction with obtaining an understanding of internal control

<sup>9</sup> Mark up reflects revisions to the definition in the glossary of terms. Added text is shown in bold face italics; deleted text is shown by strikethrough.

<sup>10</sup> ACAG, AICPA, CICA, CIPFA, DTT, FARSRS, EYG, GTI, IAIS, IBR-IRE, ICAI, ICA Ire, ICAP, ICAS, ICJCE, ICPAS, IIA, IRBA, KPMG, NAO, PAS, SNAO, NZICA, CNCC, HKICPA, ZICA.

<sup>11</sup> APB, Basel, ICAEW, IDW, PWC

(as required by ISA 315 (Redrafted)). *The understanding obtained by the auditor shall include an understanding of the organizational status of the internal audit function and the scope of the internal audit function's responsibilities.*"

29. As indicated in section A of this paper, a number of respondents questioned whether the objective of proposed ISA 610 (Redrafted) should address the requirement that the auditor obtain an understanding of the internal audit function as part of the understanding as required by ISA 315 (Redrafted).
30. ACCA commented that the understanding including the organizational status and scope of responsibilities is unnecessary as these are fundamental such that no understanding that meets the requirements of ISA 315 (Redrafted) could omit them and that accordingly ED 610 paragraph 7 needs to be revised.
31. One respondent indicated that it is not clear that the auditor may use the information obtained in ED 610 paragraph 7 to identify whether the work of the internal audit function is likely to be relevant to the external auditor's work. Others<sup>12</sup> indicated that the distinction between the flow of work involved in gaining an understanding of internal audit and performing further procedures is not clear.
32. Other respondents questioned whether ED 610 would apply in the SME environment. Of these respondents, ACCA suggested that the scope of extant ISA 610 had been broadened inappropriately.
33. The task force is of the view that, from the external auditor's perspective, the internal audit function is a component of an entity's monitoring activities. Accordingly, the task force believes that the understanding required by ED 610 paragraph 7 would be performed in all circumstances when there is an internal audit function. The task force believes that including the requirement to obtain an understanding of the internal audit function in ISA 315 (Redrafted) will help to clarify that the understanding of the internal audit function is contemplated in the external auditor's obtaining an understanding of the entity. If the auditor determines that the activities of the internal audit function are relevant to the audit, the external auditor follows the provisions of proposed ISA 610 (Redrafted).
34. Accordingly, the task force is proposing the following amendment to paragraph 22 of ISA 315 (Redrafted).

22. The auditor shall obtain an understanding of the major activities that the entity uses to monitor internal control over financial reporting, including those related to those control activities relevant to the audit, and how the entity initiates corrective actions to its controls. If the entity has an internal audit function<sup>13</sup>, the auditor shall obtain an understanding of the activities of that function, including the overall scope and nature of its responsibilities, and determine whether those activities are relevant to the audit. (Ref: Para. A94-96)

<sup>12</sup> ICAEW, NIVRA

<sup>13</sup> The term "internal audit function" is defined in ISA 610 as, "a management monitoring activity established as a service to the entity and conducted, for example, by an internal audit department or compliance a department."

35. The related application material (from ED 610 paragraphs A5, under the heading “scope of the internal audit function,” and A4) also would move to ISA 315.

[315]A95x In obtaining an understanding of activities of the internal audit function, the external auditor considers the nature and extent of internal audit assignments performed.

[315]A95y As a result of obtaining an understanding of the internal audit function, the external auditor may conclude that the activities of the internal audit function are not relevant to the financial statement audit. In such circumstances, the external auditor need not consider further the internal audit function. Even if some of the activities of the internal audit function are relevant to the audit, the external auditor may conclude that it would not be effective or efficient to use the work of internal auditors. If the external auditor decides that it is likely to be effective or efficient to use the work of internal auditors work ISA 610 “Using the Work of Internal Auditors” applies.

36. The task force believes that the proposed amendments to ISA 315 (Redrafted) help address the concerns raised by respondents regarding the flow of the requirements and removes the confusion about when the external auditor obtains the understanding of the internal audit function.
37. One respondent (Basel) recommended that an assessment of the degree of internal audit independence should be explicitly part of the requirements of ED 610 paragraph 7. The respondent states, “Paragraph 7 of the redrafted ISA makes the importance of the ‘independence’ concept less transparent in relation to organizational status. The Committee’s best practices paper entitled *Internal audit in banks and the supervisor’s relationship with auditors (2001)*, also highlights independence as a fundamental principle for an effective internal audit function. As a result, the Committee believes that an assessment of the degree of internal audit independence should be explicitly part of the requirements of paragraph 7.”
38. The task force agrees that emphasis needs to be given to ‘objectivity’. By definition, an internal audit function is not independent but, depending on its organizational status, an internal audit function may be objective.

***Action requested***

Does the IAASB agree with the proposal to amend ISA 315 (Redrafted)?

Does the IAASB agree with the task force view that the internal audit function is part of the entity and therefore is not independent?

***(ii) Preliminary Evaluation of the Internal Audit Function – Agenda Item 10-B paragraph 7***

39. Paragraph 8 of ED 610 states, “When the external auditor intends to use the work of the internal audit function, the external auditor shall evaluate:
- a. The objectivity and technical competence of members of the internal audit function;

- b. Whether the internal audit function is carried out with due professional care; and
  - c. The effect of any constraints or restrictions placed on the internal audit function by management or those charged with governance.”
40. ACCA indicated that, “the requirement is in terms of the whole internal audit function. This is not appropriate to circumstances where the auditor intends to make only limited use of the work of the internal audit function.” The task force disagrees with this respondent. Having determined that the internal audit function is relevant to the audit, the external auditor is performing a preliminary evaluation of the function to determine the effect, if any, on the audit.
41. APB, AUAASB, CICA recommended reinstating the language of extant ISA 610 which refers to a preliminary assessment. The task force has accepted this recommendation, however to avoid confusion with risk assessment procedures, “evaluation” has been used in place of “assessment.”
42. FEE, ICJCE, IDW suggested that the requirement in ED 610 paragraph 8(a) be revised to include integrity. FEE recommends adding integrity to ensure consistency with the personal qualities required of professional accountants by the IFAC Code of Ethics. IDW states, “Integrity is an important factor when the auditor intends to use the work performed by the internal audit function, since when the internal function lacks integrity this would affect the auditor’s assessment.”
43. The task force agrees that integrity is an important quality for the internal auditor to have. However, the task force view is that while performing a preliminary evaluation of the internal audit function, the auditor may not have a basis on which to evaluate the integrity of the internal auditors. Accordingly, the task force has not revised paragraph 8(a) to incorporate integrity.
44. The task force has made revisions to improve the link between the requirement to obtain an understanding of the activities of the internal audit function and to determine whether the activities of the internal audit function are relevant to the audit (proposed amendment to ISA 315 (Redrafted)) and the requirement to perform a preliminary evaluation of the internal audit function. See proposed ISA paragraph 7.

*(iii) Determining Nature, Timing and Extent of Procedures to be Performed - Agenda Item 10-B paragraph 8*

45. Paragraph 9 of ED 610 states: “In making judgments about the effect of the internal audit function’s work on the external auditor’s procedures, the external auditor shall consider:
- a. The materiality of the related financial statement amounts;
  - b. The risk of material misstatement of the assertions related to those financial statement amounts; and
  - c. The degree of subjectivity involved in the evaluation of the audit evidence gathered in support of the relevant assertions.”

46. To improve the linkage between the requirement to perform an preliminary evaluation and the determination of the effect of the work of internal auditors on the nature, timing, and extent of the external auditor's procedures, the task force has redrafted the introduction as follows:

8. "If the preliminary evaluation of the internal audit function suggests that the work of the internal auditor is likely to be adequate for purposes of the audit, the external auditor shall determine the effect of the internal auditor's work on the nature, timing and extent of procedures to be performed by the external auditor. In making this determination the external auditor shall consider: (a), (b), (c)..."

*(iv) Evaluation and Testing of the Internal Auditor's Work - Agenda Item 10-B paragraphs 9-11*

47. Paragraph 10 of ED 610 states, "When the external auditor uses specific work of the internal audit function, the external auditor shall perform procedures to evaluate the adequacy of that work."
48. Paragraph 11 of ED 610 (which is an elevation of the text of paragraph 17 of extant ISA 610) states, "When evaluating specific work performed by the internal audit function, the external auditor shall consider the adequacy of the scope of work and whether the evaluation of the internal audit function remains appropriate. The external auditor shall evaluate whether:
- a. The work is performed by persons having appropriate skills and expertise;
  - b. The work is properly supervised, reviewed and documented;
  - c. Sufficient appropriate audit evidence is obtained to be able to draw reasonable conclusions;
  - d. Conclusions reached are appropriate in the circumstances and any reports prepared are consistent with the results of the work performed; and
  - e. Any exceptions or unusual matters disclosed by the internal audit function are properly resolved."
49. Two respondents (ACCA and CNCC) did not support the elevation of extant ISA 610 paragraph 17 to a requirement. ACCA indicated that "paragraph 11 is essentially guidance material for the requirement in paragraph 10. It should be transferred to the A&OEM section." One respondent (KPMG) expressed support for the elevation of extant ISA 610 paragraph 17 to a requirement.
50. In addition, two respondents (KPMG, ICAI – India) suggested that paragraph A11, which provides guidance as to how the external auditor tests the work of internal auditors, should be elevated to a requirement. Two respondents (NAO and ICAEW) expressed support that there not be a requirement for the external auditor to test a portion of the work of internal auditors.
51. The Task Force believes that to be consistent with the level of detail of the evaluation requirement in paragraph 10 of the proposed ISA, it is appropriate to elevate ED 610



paragraph A11 to a requirement. Accordingly, in Agenda Item 10-B, paragraph A11 has been elevated and is paragraph 11 in the proposed ISA:

11. The external auditor's testing of the internal auditor's work, in accordance with paragraph 9, shall include one or a combination of the following:

- Re-performance of work performed by the internal auditor;
- Examination of other similar items; or
- Observation of procedures performed by the internal auditor.

***Action requested***

Does the IAASB agree with the elevation of paragraph A11 to a requirement?

*(v) Documentation*

52. A number of respondents (APB, Basel, CEBS, ICAI, ICPAK, IRBA, PWC, HKICPA) expressed concern that ED 610 does not contain a documentation requirement. These respondents suggested that the grey letter in paragraph 19 of extant ISA 610 which states, "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" should have been elevated to a requirement.

53. The task force agrees with these respondents and has added a requirement, based on paragraph 19 of extant ISA 610. The proposed documentation requirement states:

12. "The external auditor shall document the basis for the external auditor's conclusions regarding the evaluation and testing of the specific work of the internal auditor that has been used."

**D. APPLICATION MATERIAL**

54. There are a number of changes in the application material that occur as a consequence of other changes made to the draft:

- ED 610 paragraph A3 – the text of this paragraph has been moved to paragraph 3 of proposed ISA 610 (Redrafted).
- ED 610 paragraph A4 – the task force proposes that this text be move to ISA 315 (Redrafted) (see conforming amendment to ISA 315 (Redrafted), paragraph A95y).
- ED 610 paragraphs A5 and A6 – these paragraphs have been combined as paragraph A3 in proposed ISA 610 (Redrafted). The first sentence of paragraph A5, under the heading "scope of the internal audit function," is proposed to move to ISA 315 (Redrafted).

- ED 610 paragraph A7 has been deleted. The guidance in ED 610 paragraph A7 has been deleted as it is repetitive and does not add to the requirement in paragraph 8(b) of proposed ISA 610 (Redrafted).
- ED 610 paragraph A9 has been redrafted as proposed ISA 610 (Redrafted) paragraph A4.
- ED 610 paragraph A10 has been deleted. The guidance in ED 610 paragraph A10 has been deleted as it is repetitive and does not add to the requirement in paragraph 8 of proposed ISA 610 (Redrafted).
- ED 610 paragraph A11 has been redrafted as proposed ISA 610 (Redrafted) paragraph 11.

E. OTHER

55. Several respondents indicated that they believe ISA 610 needs to go through a full revision by the IAASB. These respondents cited the following reasons:

- DTT – We would like to take this opportunity to suggest that when the IAASB revises ISA 610 in the future, consideration be given to expanding the scope of the ISA to cover circumstances where internal auditors are used to provide direct assistance to the external auditor.
- KPMG – We recognize that the scope and general principles of this standard have not been revised but only redrafted to apply the drafting conventions and include general clarifications. The respective scopes of both the extant ISA and the proposed ISA specifically exclude the guidance on instances when internal audit personnel assist the external auditor in carrying out external audit procedures. Since this guidance is not provided in any other ISA, we believe this gap should be covered by including a project in the IAASB's future workplan that deals with this specific situation. Given that a number of considerations included in the proposed ISA 610 would also be relevant and applicable to the situation where internal audit is providing direct assistance to the external auditor, it is our preference that this situations be addressed in the future by expanding the scope of the revised ISA 610.
- NAO – We support the fact that the scope of the ISA has not been extended to deal with instances where internal audit personnel work under the direct supervision of the external auditor.
- NIVRA – The exposure draft has been written from the view of the external auditor in his role of certifying auditor of the financial annual accounts. However, in the light of this draft, the scope of the external auditor has to be seen in a broader perspective, not in the least because of assurance opinions on internal controls... In our opinion, the is not only the consideration whether the external auditors will use the work of the internal auditor, but how, internal and external auditors cooperate and arrangements regarding transparency regarding each other's work, documentation and sharing of information at the time of the audit.

- AFEP – We encourage the IAASB to include language in the standard to further encourage auditors to make greater use of the work produced by the internal audit function, and to specifically indicate that auditors should, whenever possible, endeavor to use the work performed by the internal audit function.

In the absence of evidence that would call the objectivity or competence into of a company's internal auditor's into question, we believe the outside auditor should in most cases be willing to rely on tests performed by the company's internal audit function, thereby *reducing the need for duplicative work or testing*.

- APB – We note that several of the references to internal audit activities are not in conformity with current pronouncements of the Institute of Internal Auditors (IIA). When ISA 610 is next revised we suggest that the opportunity should be taken to work with the IIA in order to harmonize the material as far as possible.
- Basel – The Committee strongly feels that *ISA 610 (Redrafted), The Auditor's Consideration of the Internal Audit Function*, warrants a thorough review, revision, and re-exposure to bring it in line with the current state of the art of internal audit functions. This is particularly important given the increased reliance that auditors place on the work of internal auditors.
- CEBS – We also note, given the increasing use of internal audit, that this ISA in particular is in need of a complete revision and update, e.g. to cover in more detail the nature of co-operation between external and internal audit.
- IIA – Our comments here relate to the clarity project. Yet we also recommend that later redrafting reflect a complete review, update and rewrite of ISA 610 as we noted in our comments to IFAC's IAASB Strategic Review, where we recommended that the entire standard be revised to reflect the current auditing environment and reference to The IIA's *International Standards for the Professional Practice of Internal Auditing*.

56. Some commentators suggested adding guidance that the task force believes goes beyond the scope of the clarity project. The task force recommends that these suggestions are taken into consideration when the proposed ISA 610 (Redrafted) is revised.

- IOSCO commented that even if the auditor determined not to use the work of the internal audit function, the auditor should be required to assess any negative information it has learned of, or obtained from, the internal audit function in the auditor's risk assessment. While the task force agrees with the comment, it believes that establishing such a specific requirement is beyond the scope of a clarity redraft of ISA 610. However, the task force also notes that ISA 610 is slated as a standard for review as part of the 2009-2011 strategy document and recommends that this comment and others be considered at such time as the standard is revised.
- IDW also questioned whether, in obtaining the understanding of the internal audit function that is required by ISA 315, the auditor would always need to actively become aware of any negative internal audit findings that may also be relevant to the audit of the financial statements.

- AICPA and DTT suggested that the ISA also include in the application material considerations when the external auditor is making judgments about the effect on the external auditor's procedures of the internal audit function's work in such areas as entity-level components of internal control or general computer controls.

E. CONSIDERATION OF THE NEED TO RE-EXPOSE

57. The task force believes that the changes proposed in the revised draft of the proposed ISA 610 (Redrafted) are responsive to the significant comments received on exposure, and do not introduce new or substantively different principles. Accordingly, the task force is of the view that re-exposure is not necessary.

**APPENDIX****List of Respondents**

<b>Abbreviation</b>	<b>Category</b>
<b>Professional Organizations</b>	
AICPA	American Institute of Certified Public Accountants
ACCA	Association of Chartered Certified Accountants
AIA	Association of International Accountants
CalCPA	California Society of Certified Public Accountants
CIPFA	Chartered Institute of Public Finance and Accountancy
CNCC	Compagnie Nationale des Commissaires aux Comptes + Conseil Supérieur de l'Ordre des Experts-Comptables
CPA AU	CPA Australia
FAR SRS	FAR SRS
FEE	Federation des Experts Comptables Europeens
FSR	Foreningen af Statsautoriserede Revisorer
HKICPA	Hong Kong Institute of Certified Public Accountants
IBR/IRE	Instituut der Bedrijfsrevisoren / Institut des Reviseurs d'Entreprises
ICAEW	Institute of Chartered Accountants in England and Wales
ICAI - India	The Institute of Chartered Accountants in India
ICAI - Ireland	Institute of Chartered Accountants in Ireland
ICAP	Institute of Chartered Accountants of Pakistan
ICAS	Institute of Chartered Accountants of Scotland
ICAZ	The Institute of Chartered Accountants in Zimbabwe
ICJCE	Instituto de Censores Jurados de Cuentas de Espana
CPA Ire	Institute of Certified Public Accountants in Ireland
ICPAK	Institute of Certified Public Accountants of Kenya
ICPAS	Institute of Certified Public Accountants of Singapore
IDW	Institut der Wirtschaftsprüfer
IIA	The Institute of Internal Auditors
IIA-AU	The Institute of Internal Auditors – Australia
JICPA	Japanese Institute of Certified Public Accountants
NIVRA	Koninklijk Nederlands Instituut van Registeraccountants (Royal NIVRA)
NIA	National Institute of Accountants
SAICA	South African Institute of Chartered Accountants
ZICA	Zambia Institute of Chartered Accountants
<b>National Auditing Standard Setters</b>	
APB	Auditing Practices Board (United Kingdom)
AUAASB	Australian Government, Auditing and Assurance Standards Board
CICA	Canadian Auditing and Assurance Standards Board
IRBA	Independent Regulatory Board for Auditors (South Africa) <i>(also a Regulator)</i>
NZICA	Professional Practices Board, New Zealand Institute of Chartered Accountants
<b>Audit Firms</b>	

<b>Abbreviation</b>	<b>Category</b>
BDO	BDO Global Coordination B.V
DTT	Deloitte Touche Tohmatsu
EYG	Ernst & Young Global
GT	Grant Thornton International
KPMG	KPMG
Mazars	Mazars
PWC	PricewaterhouseCoopers
<b>Public Sector Organizations</b>	
ACAG	Australasian Council of Auditors-General
Audit Commission	Audit Commission
GAO	United States Government Accountability Office
NAO	National Audit Office, UK
PAS	Provincial Auditor Saskatchewan
SNOA	Riksrevisionen (Swedish National Audit Office)
WAO	Wales Audit Office
<b>Regulators and Oversight Authorities</b>	
Basel	Basel Committee on Banking Supervision
CEBS	Committee of European Banking Supervisors
IAIS	International Association of Insurance Supervisors
IOSCO	International Organization of Securities Commissions
CPAB	Canadian Public Accountability Board
EC	European Commission
<b>Individuals and Others</b>	
AFEP	Association Francaise des Entreprises Privees
JM	Dr. Joseph Maresca CPA, CISA