

Meeting: IAASB
Meeting Location: Los Angeles
Meeting Date: December 5 – 9, 2011

Agenda Item

4

Using the Work of Internal Auditors

Objectives of Agenda Item

1. To consider the Task Force's recommendations on the remaining significant matters raised by the IAASB in relation to respondents' comments on the Exposure Draft (ED); and
2. To approve proposed revised ISAs 315 and 610.¹

Task Force

3. Members:
 - Diana Hillier, Chair, IAASB Member
 - Cédric Gélard, IAASB Member
 - Daniel Montgomery, IAASB Member
 - Marek Grabowski, IAASB Technical Advisor
 - Carman Lapointe, Institute of Internal Auditors (IIA) Representative
 - Clyde MacLellan, International Organization of Supreme Audit Institutions (INTOSAI) Representative

Correspondent member:

- Robert Franchini, International Ethics Standards Board for Accountants (IESBA) Member
4. Technical advisors supporting Task Force members on the project include Jon Rowden (for Ms. Hillier) and Isabelle Tracq-Sengeissen (for Mr. Gélard).

¹ Proposed ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment* and proposed ISA 610 (Revised), *Using the Work of Internal Auditors*

Activities since Last IAASB Discussion

5. The Task Force has held face-to-face and teleconference meetings during October 2011–November 2011 to reflect on the Board’s input received in September 2011 and to further develop proposed revised ISAs 315 and 610 to respond to the comments.
6. In September 2011, the IAASB discussed input provided by the International Ethics Standards Board for Accountants (IESBA) Task Force² regarding their views on the adequacy, as safeguards, of the requirements in draft revised ISA610 relating to the use of internal auditors to provide direct assistance. The outcomes of this discussion were communicated to the IESBA at its October 2011 meeting to input into the IESBA’s consideration of whether and if so, what changes needed to be made to the IESBA Code.³ Matters discussed by the IESBA and the Task Force’s proposals in response are further described in **Agenda Item 4-A**. Relevant matters arising from the IESBA’s discussion will be referred to during the Task Force Chair’s presentation.

Material Presented

Agenda Item 4-A	Using the Work of Internal Auditors – IAASB Task Force Recommendations in Response to IAASB’s Consideration of Significant Comments on Exposure
Agenda Item 4-B	Proposed ISA 610 (Revised) dated December 2011 (Marked from September 2011)
Agenda Item 4-C	Proposed ISA 315 (Revised) dated December 2011 (Clean)
Agenda Item 4-D	Proposed ISA 610 (Revised) dated December 2011 (Clean)
Agenda Item 4-E	Summary of Key Changes and Mapping of ED to Proposed Revised ISA 610 dated December 2011
Agenda Item 4-F	Proposed ISA 315 (Revised) dated December 2011 (Marked from ED)
Agenda Item 4-G	Proposed ISA 610 (Revised) dated December 2011 (Marked from ED)
Agenda Item 4-H	Proposed ISA 610 (Revised) dated December 2011 (Direct Assistance Shaded)
Agenda Item 4-I	Proposed Conforming Amendments dated December 2011

² In June 2011, the IESBA agreed to set up a task force (“IESBA Task Force”) to consider respondents’ comments relating to ethical matters received on the IAASB’s ISA 610 ED. Chair of the ISA 610 Task Force has been invited to participate as a correspondent member on this task force.

³ The IESBA’s *Code of Ethics for Professional Accountants* (IESBA Code)

Actions Requested

7. The IAASB is asked to consider the significant issues and Task Force proposals presented in **Agenda Item 4-A**, and approve proposed revised ISAs 315 and 610 presented in **Agenda Item 4-B** and **Agenda Item 4-C** respectively.