

NVivo Extracts from Responses to the Quality Management Explanatory Memorandum: Conforming Changes

Note:

The covering explanatory memorandum (EM) for the quality management projects¹ did not ask a specific question about the proposed conforming amendments.

This paper contains extracts of responses that commented on the proposed conforming amendments.

Conforming amendments

07. AGA

We note it is unfortunate that consequential amendments to ISAE 3000 have not been made, to align it with ISA 220. This results in several differences, including that the engagement leader takes on more responsibilities for financial statement audits than assurance engagements, and that the engagement quality review role differs between financial audits and assurance engagements. Standards that incorporate ISQC such as the assurance standards and other standards such as reviews should be updated before ISQM is issued.

14. NZAuASB

The NZAuASB provides the following observations on the conforming and consequential amendments

ISA 300, Planning an Audit of Financial Statements

- paragraphs 8 and 11. It would be helpful to footnote reference the specific ISA 220 requirement paragraphs being referred to.
- paragraph A0. In the first sentence, the wording could be more closely aligned to the wording of ISA 220 (Revised), paragraph 1, i.e., replace “establishes requirements and provides guidance” with “deals with”. In the example, add a footnote reference to refer to the specific paragraph in ISA 220 that is being referred to.
- paragraph A8, second bullet point. It is not clear why “observe” has been changed to “attend”. The word “attend” implies simply being present at, whereas “observe” implies an action required by the auditor.

ISA 610 (Revised), Using the Work of Internal Auditors

- paragraph A11, second bullet point. This bullet point refers to quality control. Is this intentional?

ISA 620, Using the Work of an Auditor’s Expert

- paragraph A13. Footnote reference to the specific paragraphs in ISA 220 (Revised) that address matters the auditor may take into account when determining whether, and if so, the degree to which, the auditor may depend on the firm’s policies and procedures would be helpful.

¹ Conforming amendments are discussed in Section 4, and presented in the Appendix, of [The IAASB’s Exposure Drafts for Quality Management at the Firm and Engagement Level, Including Engagement Quality Reviews](#).

77. Canadian Auditing and Assurance Standards Board

ISA 230, paragraph A20

- Should “with the engagement partner taking final responsibility for the changes” say, “with the engagement partner taking overall responsibility for the audit engagement?”

ISA 250, paragraph A25 (last sentence)

- Check paragraph reference

ISA 300, paragraph A1

- Check footnote reference

ISA 300, paragraph A3

- Suggest changing “inform quality management” to “achieve quality at the engagement level”