Meeting: IAASB
Meeting Location: Mainz, Germany
Meeting Date: June 14-18, 2010

**Agenda Item 4**

**Using the Work of Internal Auditors**

**Objectives of Agenda Item**

1. To consider remaining significant issues in the revision of clarified ISA 610 and approve for exposure the proposed revised ISA 610 and ISA 315.
2. To consider a draft explanatory memorandum based on the impact analysis framework that IFAC is currently developing.

**Task Force**

3. Members:
   - Diana Hillier, Chair, IAASB Member
   - Cédric Gélard, IAASB Member
   - Daniel Montgomery, IAASB Member
   - 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 Susan Lione (for Ms. Lapointe), Jon Rowden (for Ms. Hillier) and Isabelle Tracq-Sengeissen (for Mr. Gélard).

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1 ISA 610, “Using the Work of Internal Auditors”
2 ISA 315, “Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment”
Background

5. At its March 2010 meeting, the IAASB considered significant issues in the revision of clarified ISA 610 and a first read of the proposed revised ISA 315 and ISA 610. The IAASB indicated general agreement with the Task Force’s proposals. It also provided input and direction to the Task Force for formulating revised drafts of the ISAs with a view to approval at its June 2010 meeting.

Activities since Last IAASB Discussions

6. The Task Force met in April 2010 and May 2010 (teleconference) to consider the comments it received and to develop revised drafts of ISA 315 and ISA 610. Based on the comments it received, the Task Force recommends revisions to the draft revised ISAs presented in March 2010.

7. Marked drafts of the proposed revised ISA 315 and ISA 610 showing the Task Force’s proposed changes from March 2010 are presented in Agenda Item 4-B and Agenda Item 4-C respectively. Marked drafts showing all proposed changes to the original extant ISA 315 and ISA 610 are presented in Agenda Item 4-D and Agenda Item 4-E respectively.

Other Matters

8. The IAASB’s revision of ISA 610 has been selected as a test case for the impact analysis framework that IFAC is currently developing. A draft explanatory memorandum prepared based on the proposed new structure is provided in Agenda Item 4-H.

Material Presented

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Actions Requested

9. The IAASB is asked to consider and comment on the issues presented in Agenda Item 4-A.

10. The Task Force proposes that the marked version of the proposed revised ISA 315 and ISA 610 presented in Agenda Item 4-B and Agenda Item 4-C respectively be discussed at the meeting. The IAASB is asked to consider these with a view to approval for exposure.

11. The IAASB is asked to consider and comment on the draft explanatory memorandum presented in Agenda Item 4-H.