Meeting: IAASB
Meeting Location: New York
Meeting Date: March 15-19, 2010

Using the Work of the Internal Audit Function

Objectives of Agenda Item
1. To consider significant issues in the revision of clarified ISA 610.1
2. To consider drafts of the proposed revised ISA 3152 and ISA 610.

Task Force
3. Full 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).

Background
5. At its September 2009 meeting, the IAASB considered significant issues in the revision of clarified ISA 610 and provided input and direction to the Task Force on the way forward.

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1 ISA 610 (Redrafted), “Using the Work of Internal Auditors.”
2 ISA 315 (Redrafted), “Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment.”
The IAASB instructed the Task Force to develop a draft of the proposed revised ISA 610 for its consideration at the March 2010 meeting.

Activities since Last IAASB Discussions

6. The Task Force met in November 2009, January 2010 and February 2010 (teleconference) to consider comments received from the IAASB in September 2009, and to develop revised drafts of ISA 315 and ISA 610.

7. At its October 2009 and February 2010 meetings, the International Ethics Standards Board for Accountants (IESBA) considered matters relating to the revision of ISA 610 with a linkage to the Code. The main points from the IESBA’s discussion are outlined in the Issues Paper presented in Agenda Item 7-A.

8. At its March 2010 meeting, the IAASB Consultative Advisory Group (CAG) discussed matters similar to those that will be considered by the IAASB at this meeting. Significant comments raised by the Representatives of the CAG will be referred to during the Task Force Chair’s presentation.

Other Matters

9. Implicit in the discussions of the key issues in Agenda Item 7-A are considerations of the potential benefits and impacts of the Task Force’s proposals for each of these issues. In deliberating the technical merits of the proposals, the IAASB is also asked to consider and comment on the likely costs and benefits that may be associated with the respective proposals.

Material Presented

Agenda Item 7-A Using the Work of Internal Auditors – Issues and IAASB Task Force Proposals dated March 2010

Agenda Item 7-B Draft Revised ISA 315 dated March 2010 (Marked from Extant ISA 315)

Agenda Item 7-C Draft Revised ISA 315 dated March 2010 (Clean)

Agenda Item 7-D Draft Revised ISA 610 dated March 2010 (Marked from Extant ISA 610)

Agenda Item 7-E Draft Revised ISA 610 dated March 2010 (Clean)

Action Requested

10. The IAASB is asked to consider and comment on the issues presented in Agenda Item 7-A.

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3 The IESBA’s Code of Ethics for Professional Accountants.
11. The Task Force proposes that the marked version of the draft revised ISA 315 and ISA 610 presented in Agenda Item 7-B and Agenda Item 7-D respectively be discussed at the meeting.