

Conforming Amendments to ISAs Arising from Quality Management Projects: Issues and Recommendations

Objectives of the Agenda Item:

The objectives of this Agenda Item are to:

- (a) Provide an overview of respondents' feedback on the proposed conforming amendments¹ to the *Preface to the International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements* (Preface) and to International Standards on Auditing (ISA) arising from the quality management (QM) projects that were presented in the covering explanatory memorandum (EM) for the QM projects;² and
- (b) Obtain the Board's views about the proposed changes to the conforming amendments presented in the EM to address EM respondents' comments and revisions to the QM standards since the QM exposure drafts (ED).

I. Material Presented

1. **Agenda Item 2**, which includes:
 - **Appendix 1:** List of Respondents
 - **Appendix 2:** Proposed Changes to the QM Conforming Amendments to the Preface and to ISAs from the EM
2. **Agenda Item 2-A:** The NVivo report with respondents' comments on the proposed conforming changes in the EM.

II. Introduction

3. This paper addresses the proposed changes to the conforming amendments to the Preface and to ISAs that were exposed in the covering EM for the QM projects.
4. Consistent with the covering EM, these conforming amendments do not include the conforming and consequential amendments to the Other Standards³ arising from the QM standards. A project proposal to address these changes will be presented for the IAASB's approval at its September 2020 videoconference.

III. Changes Made from EM Proposals

5. **Appendix 2** to this Agenda Item includes the QM Task Forces' proposals for the conforming amendments to the Preface and to ISAs arising from the new and revised QM standards. The IAASB

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](#).

² The QM projects comprise International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements or Other Assurance or Related Services Engagements*, ISQM 2, *Engagement Quality Reviews* and ISA 220, *Quality Management for Audits of Financial Statements*.

³ The IAASB's Other Standards comprise International Standards on Review Engagements (ISREs), International Standards on Assurance Engagements (ISAEs) and International Standards on Related Services (ISRSs).

received three responses on the conforming changes in the EM (see **Appendix 1** and the NVivo analysis in **Agenda Item 2-A**), which raised only minor issues. Therefore, the changes from the EM to the draft final conforming amendments in **Appendix 2** are largely to align with changes in the QM standards since the EM (i.e., to address respondents' comments and various other matters since the QM EDs were issued).

6. The versions of the QM standards used as a basis for updating the conforming amendments to the ISAs in **Appendix 2** are as follows:
 - (a) ISQM 1 references are to the draft presented to the Board for the [April 8, 2020 videoconference](#) and the updated sections presented to the Board in [June 2020](#).
 - (b) ISA 220 (Revised) and ISQM 2 references are to drafts presented to the Board for the [April 1, 2020 videoconference](#).
7. The QM Task Forces' proposals for changes to the conforming amendments since the EM have been marked in "track changes" in the "draft final conforming changes" (rightmost) column of **Appendix 2** to reflect changes made the draft QM standards since exposure. These changes are highlighted in **yellow** for easier identification. In addition, Staff have also updated paragraph references, and will continue to do so as needed to align with the final QM standards.
8. The following are the general categories of changes made since the EM (the categories are used to indicate the reason for the change in **Appendix 2**):
 - (a) **Category A**: Changes in the underlying material in the proposed QM standards.
 - (b) **Category B**: Minor changes.
 - (c) **Category C**: Conforming change no longer needed (paragraph wording in ED has been superseded).
9. **Appendix 2** also shows conforming amendments resulting from recent IAASB pronouncements. These changes arose from the finalization of ISA 315 (Revised 2019),⁴ ISA 540 (Revised),⁵ and the conforming amendments to update for changes in the IESBA Code.⁶ They are included in the ED wording (leftmost) column of **Appendix 2** as tracked changes and are highlighted in **blue** for easier identification. The source of the change is also noted. They are shown for reference only as they have already been approved by the Board, and therefore are not for discussion. Those changes have been made to the extant wording in the "draft final conforming changes" (rightmost) column before making any changes to address matters arising from changes to the QM EDs post-ED.
10. In relation to ISA 600, limited changes are proposed consistent with the intention that major changes to ISA 600⁷ should be addressed via the ISA 600 project. The QM Task Forces considered how best to address terminology in ISA 600 that differs from that in proposed ISA 220 (Revised) (e.g., "audit procedures" instead of "work" in paragraph 19 of ISA 600) to cover the period between the time the QM standards are effective and the date a revised ISA 600 may be effective. It was decided that the

⁴ International Standard on Auditing (ISA) 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

⁵ ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*

⁶ International Ethics Standards Board for Accountants' *Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards)*

⁷ ISA 600, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)*

most effective way to address such matters would be through FAQs that explain the linkages between ISA 220 (Revised) and extant ISA 600.

Matter for IAASB Consideration

1. Does the IAASB agree with the proposed conforming amendments to the ISAs as a result of the QM standards, as set out in **Appendix 2**?

Appendix 1

Conforming Amendments – List of Respondents⁸

No.	Written Respondents	Region
National Auditing Standard Setters		Total: 2
1.	New Zealand Auditing and Assurance Standards Board (NZAuASB)	Asia Pacific
2.	Canadian Auditing and Assurance Standards Board	North America
Public Sector Organizations		Total: 1
3.	Auditor General of Alberta (Canada)	North America

⁸ These are the respondents to the EM who commented on the conforming amendments.

Proposed Changes to the QM Conforming Amendments to the Preface and to ISAs from the EM

	Proposed Conforming Amendments in ED	Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
<i>Preface to the International Quality Control Management, Auditing, Review, Other Assurance, and Related Services Pronouncements</i>			
Preface, paragraph 1	Introduction This preface to the <i>International Quality Control Management, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> is issued to facilitate understanding of the scope and authority of the pronouncements the International Auditing and Assurance Standards Board (IAASB) issues, as set forth in the IAASB’s Terms of Reference.		Introduction This preface to the <i>International Quality Control Management, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> is issued to facilitate understanding of the scope and authority of the pronouncements the International Auditing and Assurance Standards Board (IAASB) issues, as set forth in the IAASB’s Terms of Reference.
Preface, paragraph 10	The Authority Attaching to International Standards Issued by the International Auditing and Assurance Standards Board International Standards on Quality Control Management (ISQCMs) are to be applied for all services falling under the IAASB’s Engagement Standards.		The Authority Attaching to International Standards Issued by the International Auditing and Assurance Standards Board International Standards on Quality Control Management (ISQCMs) are to be applied for all services falling under the IAASB’s Engagement Standards.

⁹ Where noted, the wording in this column reflects changes made as a result of the conforming amendments arising from ISA 540 (Revised), ISA 315 (Revised 2019) and changes to the IESBA Code (released by the IAASB April 8, 2020).

¹⁰ Categories A–C are described in the body of this Issues Paper. If there is no change from the ED, this column is left blank.

¹¹ The footnotes related to the paragraphs in this column will be renumbered when the conforming changes are published with the final QM standards.

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
Preface, paragraph 12	<p>International Standards on Quality Control Management</p> <p>ISQCMs are written to apply to firms in respect of all their services falling under the IAASB’s Engagement Standards. The authority of ISQCMs is set out in the introduction to the<u>each</u> ISQCM.¹⁸</p> <p>¹⁸ Proposed ISQM 1, <i>Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements</i>, paragraph 16</p>		<p>International Standards on Quality Control Management</p> <p>ISQCMs are written to apply to firms in respect of all their services falling under the IAASB’s Engagement Standards. The authority of ISQCMs is set out in the introduction to the<u>each</u> ISQCM.¹⁸</p> <p>¹⁸ ISQM 1, <i>Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements</i>, paragraph 16</p>
Preface, paragraph 19	<p>Applicability of the International Standards</p> <p>International Standards are relevant to engagements in the public sector. When appropriate, additional considerations specific to public sector entities are included:</p> <p>(a) Within the body of an International Standard in the case of ISAs and ISQCMs; or</p> <p>(b) In a Public Sector Perspective (PSP) appearing at the end of other International Standards.</p>		<p>Applicability of the International Standards</p> <p>International Standards are relevant to engagements in the public sector. When appropriate, additional considerations specific to public sector entities are included:</p> <p>(a) Within the body of an International Standard in the case of ISAs and ISQCMs; or</p> <p>(b) In a Public Sector Perspective (PSP) appearing at the end of other International Standards.</p>
ISA 200, Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing			
ISA 200, paragraph 14	<p>Requirements</p> <p>Ethical Requirements Relating to an Audit of Financial Statements</p> <p>The auditor shall comply with relevant ethical requirements, including those pertain<u>ing</u>related to independence, relating to financial statement audit engagements. (Ref: Para. A16–A19)</p>		<p>Requirements</p> <p>Ethical Requirements Relating to an Audit of Financial Statements</p> <p>The auditor shall comply with relevant ethical requirements, including those pertain<u>ing</u>related to independence, relating to financial statement audit engagements. (Ref: Para. A16–A19)</p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
ISA 200, paragraph A19 ¹²	<p>Application and Other Explanatory Material</p> <p>Definitions</p> <p>Ethical Requirements Relating to an Audit of Financial Statements (Ref: Para. 14)</p> <p>International Standard on Quality ControlManagement (ISQGM) 1,⁴⁹ or national requirements that are at least as demanding,²⁰ deal with the firm’s responsibilities to establish<u>design, implement and maintain its</u>operate a system of quality control for audit engagements. ISQC 1 sets out the responsibilities of management that provides the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel <u>operate a system of quality control for audit engagements. ISQC 1 sets out the responsibilities of management that provides the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel</u> comply/fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements. As part of its system of quality management, ISQM 1 requires the firm to address the fulfillment of responsibilities in accordance with relevant ethical requirements, including those pertaining<u>related</u> to independence.²¹ ISA 220 (Revised) sets out the engagement partner’s responsibilities with respect to relevant ethical requirements, including those related to independence.²² These include remaining alert, through observation and making inquiries as necessary, for evidence of <u>non-compliance with breaches of</u> relevant ethical requirements by members of the engagement team, determining the appropriate action if matters come to the engagement partner’s attention that</p>	A	<p>Application and Other Explanatory Material</p> <p>Definitions</p> <p>Ethical Requirements Relating to an Audit of Financial Statements (Ref: Para. 14)</p> <p>International Standard on Quality ControlManagement (ISQGM) 1,⁴⁹ or national requirements that are at least as demanding,²⁰ deal with the firm’s responsibilities to establish<u>design, implement and maintain its</u>operate a system of quality control for audit engagements. ISQC 1 sets out the responsibilities of management that provides the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel <u>operate a system of quality control for audit engagements. ISQC 1 sets out the responsibilities of management that provides the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel</u> comply/fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements. As part of its system of quality management, ISQM 1 requires the firm to address the fulfillment of responsibilities in accordance with relevant ethical requirements, including those pertaining<u>related</u> to independence.²¹ ISA 220 (Revised) sets out the engagement partner’s responsibilities with respect to relevant ethical requirements, including those related to independence.²² These include remaining alert, through observation and making inquiries as necessary, for evidence of <u>breaches of</u> relevant ethical requirements by members of the engagement team, determining the appropriate action if matters come to the engagement partner’s attention that</p>

¹² The wording in the “ED” column reflects changes made as a result of conforming amendments arising from the IESBA Code (released by the IAASB April 8, 2020).

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p>indicate that members of the engagement team have not breached complied with relevant ethical requirements, and forming a conclusion on compliance with independence requirements that apply to the audit engagement.²³ ISA 220 recognizes that the engagement team is entitled to rely on a firm's system of quality control in meeting its responsibilities with respect to quality control procedures applicable to the individual audit engagement, unless information provided by the firm or other parties suggests otherwise.</p> <p>¹⁹ ISQC 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></p> <p>²⁰ ISA 220 (Revised), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraph 23</p> <p>²¹ ISQCM 1, paragraphs 20–2532–33</p> <p>²² ISA 220 (Revised), paragraphs 14–19</p> <p>²³ ISA 220, paragraphs 9–12</p>		<p>relevant ethical requirements, and forming a conclusion on compliance with independence requirements that apply to the audit engagement.²³ ISA 220 recognizes that the engagement team is entitled to rely on a firm's system of quality control in meeting its responsibilities with respect to quality control procedures applicable to the individual audit engagement, unless information provided by the firm or other parties suggests otherwise. ISA 220 also describes when the engagement team may depend on the firm's policies or procedures in managing and achieving quality at the engagement level.²³</p> <p>¹⁹ ISQM 1, <i>Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements</i></p> <p>²⁰ ISA 220 (Revised), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraph 23</p> <p>²¹ ISQCM 1, paragraphs 20–2532–33</p> <p>²² ISA 220 (Revised), paragraphs 16–2114–19</p> <p>²³ ISA 220, paragraphs 9–12</p> <p>²³ ISA 220, paragraph A11</p>
ISA 200, paragraph A27	<p>Professional Judgment (Ref: Para. 16)</p> <p>The exercise of professional judgment in any particular case is based on the facts and circumstances that are known by the auditor. Consultation on difficult or contentious matters during the course of the audit, both within the engagement team and between the engagement team and others at the appropriate level within or outside the firm, such as that required by ISA 220</p>	B	<p>Professional Judgment (Ref: Para. 16)</p> <p>The exercise of professional judgment in any particular case is based on the facts and circumstances that are known by the auditor. Consultation on difficult or contentious matters during the course of the audit, both within the engagement team and between the engagement team and others at the appropriate level within or outside the firm, such as that required by ISA 220</p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p>(Revised),²⁴ assist the auditor in making informed and reasonable judgments.</p> <p>²⁴ ISA 220 (Revised), paragraph 4832</p>		<p>(Revised),²⁴ assist the auditor in making informed and reasonable judgments.</p> <p>²⁴ ISA 220 (Revised), paragraph 483235</p>
ISA 200, paragraph A30 ¹³	<p>Sufficient Appropriate Audit Evidence and Audit Risk (Ref: Para. 5 and 17)</p> <p><i>Sufficiency and Appropriateness of Audit Evidence</i></p> <p>Audit evidence is necessary to support the auditor’s opinion and report. It is cumulative in nature and is primarily obtained from audit procedures performed during the course of the audit. It may, however, also include information obtained from other sources such as previous audits (provided the auditor has determined whether changes have occurred since the previous audit that may affect its relevance to the current audit²⁵) or <u>through the information obtained by the firm in the acceptance or continuance of the client relationship or engagement firm’s quality control procedures for client acceptance or continuance</u>. In addition to other sources inside and outside the entity, the entity’s accounting records are an important source of audit evidence. Also, information that may be used as audit evidence may have been prepared by an expert employed or engaged by the entity. Audit evidence comprises both information that supports and corroborates management’s assertions, and any information that contradicts such assertions. In addition, in some cases, the absence of information (for example, management’s refusal to provide a requested representation) is used by the auditor, and therefore, also constitutes audit evidence. Most of the</p>		<p>Sufficient Appropriate Audit Evidence and Audit Risk (Ref: Para. 5 and 17)</p> <p><i>Sufficiency and Appropriateness of Audit Evidence</i></p> <p>Audit evidence is necessary to support the auditor’s opinion and report. It is cumulative in nature and is primarily obtained from audit procedures performed during the course of the audit. It may, however, also include information obtained from other sources such as previous audits (provided the auditor has determined whether changes have occurred since the previous audit that may affect its relevance to the current audit²⁵) or <u>through the information obtained by the firm in the acceptance or continuance of the client relationship or engagement firm’s quality control procedures for client acceptance or continuance</u>. In addition to other sources inside and outside the entity, the entity’s accounting records are an important source of audit evidence. Also, information that may be used as audit evidence may have been prepared by an expert employed or engaged by the entity. Audit evidence comprises both information that supports and corroborates management’s assertions, and any information that contradicts such assertions. In addition, in some cases, the absence of information (for example, management’s refusal to provide a requested representation) is used by the auditor, and therefore, also constitutes audit evidence. Most of</p>

¹³ The wording in the “ED” column reflects changes made as a result of changes in the title and paragraph in ISA 315 (Revised 2019) approved by the Board in September 2019.

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p>auditor’s work in forming the auditor’s opinion consists of obtaining and evaluating audit evidence.</p> <p>²⁵ ISA 315 (Revised 2019), <i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment</i>, paragraph 916</p>		<p>the auditor’s work in forming the auditor’s opinion consists of obtaining and evaluating audit evidence.</p> <p>²⁵ ISA 315 (Revised 2019), <i>Identifying and Assessing the Risks of Material Misstatement</i>, paragraph 16</p>
ISA 200, paragraph A64	<p>Conduct of an Audit in Accordance with ISAs</p> <p><i>Contents of the ISAs</i> (Ref: Para. 19)</p> <p>An ISA may include, in a separate section under the heading “Definitions,” a description of the meanings attributed to certain terms for purposes of the ISAs. These are provided to assist in the consistent application and interpretation of the ISAs, and are not intended to override definitions that may be established for other purposes, whether in law, regulation or otherwise. Unless otherwise indicated, those terms will carry the same meanings throughout the ISAs. The Glossary of Terms relating to International Standards issued by the International Auditing and Assurance Standards Board in the <i>Handbook of International Quality Control Management, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> published by IFAC contains a complete listing of terms defined in the ISAs. It also includes descriptions of other terms found in ISAs to assist in common and consistent interpretation and translation.</p>		<p>Conduct of an Audit in Accordance with ISAs</p> <p><i>Contents of the ISAs</i> (Ref: Para. 19)</p> <p>An ISA may include, in a separate section under the heading “Definitions,” a description of the meanings attributed to certain terms for purposes of the ISAs. These are provided to assist in the consistent application and interpretation of the ISAs, and are not intended to override definitions that may be established for other purposes, whether in law, regulation or otherwise. Unless otherwise indicated, those terms will carry the same meanings throughout the ISAs. The Glossary of Terms relating to International Standards issued by the International Auditing and Assurance Standards Board in the <i>Handbook of International Quality Control Management, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> published by IFAC contains a complete listing of terms defined in the ISAs. It also includes descriptions of other terms found in ISAs to assist in common and consistent interpretation and translation.</p>
ISA 210, Agreeing the Terms of Audit Engagements			
ISA 210, paragraph 1	<p>Introduction</p> <p>Scope of this ISA</p> <p>This International Standard on Auditing (ISA) deals with the auditor’s responsibilities in agreeing the terms of the audit</p>	B	<p>Introduction</p> <p>Scope of this ISA</p> <p>This International Standard on Auditing (ISA) deals with the auditor’s responsibilities in agreeing the terms of the audit</p>

	Proposed Conforming Amendments in ED	Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	engagement with management and, where appropriate, those charged with governance. This includes establishing that certain preconditions for an audit, responsibility for which rests with management and, where appropriate, those charged with governance, are present. ISA 220 (Revised) deals with those aspects of engagement acceptance that are within the control of the auditor. (Ref: Para. A1)		engagement with management and, where appropriate, those charged with governance. This includes establishing that certain preconditions for an audit, responsibility for which rests with management and, where appropriate, those charged with governance, are present. ISA 220 (Revised) ^{25A} deals with those aspects of engagement acceptance that are within the control of the auditor. (Ref: Para. A1) ^{25A} ISA 220 (Revised), Quality Control Management for an Audit of Financial Statements
ISA 210, paragraph A1	<p>Application and Other Explanatory Material</p> <p>Scope of this ISA (Ref: Para. 1)</p> <p>ISQM 1 deals with the firm’s responsibilities regarding the acceptance and continuance of client relationships and specific engagements. Assurance engagements, which include audit engagements, may only be accepted when the practitioner considers that relevant ethical requirements such as independence and professional competence will be satisfied, and when the engagement exhibits certain characteristics. The auditor’s responsibilities in respect of relevant ethical requirements, including those related to independence, in the context of the acceptance of an audit engagement and in so far as they are within the control of the auditor are dealt with in ISA 220 (Revised).²⁶ This ISA deals with those matters (or preconditions) that are within the control of the entity and upon which it is necessary for the auditor and the entity’s management to agree.</p> <p>²⁶ ISA 220 (Revised), paragraphs 9–11, 14–19</p>	B	<p>Application and Other Explanatory Material</p> <p>Scope of this ISA (Ref: Para. 1)</p> <p>ISQM 1^{25B} deals with the firm’s responsibilities regarding the acceptance and continuance of client relationships and specific engagements. Assurance engagements, which include audit engagements, may only be accepted when the practitioner considers that relevant ethical requirements such as independence and professional competence will be satisfied, and when the engagement exhibits certain characteristics.^{25B}</p> <p>The auditor’s responsibilities in respect of <u>relevant</u> ethical requirements, including those related to independence, in the context of the acceptance of an audit engagement and in-so-far as they are within the control of the auditor are dealt with in ISA 220 (Revised).²⁶ This ISA deals with those matters (or preconditions) that are within the control of the entity and upon which it is necessary for the auditor and the entity’s management to agree.</p> <p>^{25B} International Framework for Assurance Engagements, paragraph 17</p> <p>^{25B} ISQM 1, paragraph 34</p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
			²⁶ ISA 220 (Revised), paragraphs 9–11 14–19 16–21
ISA 230, Audit Documentation			
ISA 230, paragraph 3	<p>Introduction</p> <p>Nature and Purposes of Audit Documentation</p> <p>Audit documentation serves a number of additional purposes, including the following:</p> <ul style="list-style-type: none"> Assisting the engagement team to plan and perform the audit. Assisting members of the engagement team responsible for supervision to direct and supervise the audit work, and to discharge their review responsibilities in accordance with ISA 220 (Revised).²⁷ Enabling the engagement team to be accountable for its work. Retaining a record of matters of continuing significance to future audits. Enabling the conduct of <u>engagement quality control reviews</u>,²⁸ <u>other engagement reviews</u> and <u>monitoring activities under the firm’s system of quality management inspections in accordance with ISQC 4</u>²⁹ or national requirements that are at least as demanding.³⁰ Enabling the conduct of external inspections in accordance with applicable legal, regulatory or other requirements. <p>²⁷ ISA 220 (Revised), <i>Quality Control for an Audit of Financial Statements</i>, paragraphs 15–1727–31</p> <p>²⁸ <u>International Standard on Quality Management (ISQM) 2, <i>Engagement Quality Reviews</i></u></p>	B	<p>Introduction</p> <p>Nature and Purposes of Audit Documentation</p> <p>Audit documentation serves a number of additional purposes, including the following:</p> <ul style="list-style-type: none"> Assisting the engagement team to plan and perform the audit. Assisting members of the engagement team responsible for supervision to direct and supervise the audit work, and to discharge their review responsibilities in accordance with ISA 220 (Revised).²⁷ Enabling the engagement team to be accountable for its work. Retaining a record of matters of continuing significance to future audits. Enabling the conduct of <u>engagement quality control reviews</u>,²⁸ <u>other engagement reviews</u> and <u>monitoring activities under the firm’s system of quality management inspections in accordance with ISQC 4</u>²⁹ or national requirements that are at least as demanding.³⁰ Enabling the conduct of external inspections in accordance with applicable legal, regulatory or other requirements. <p>²⁷ ISA 220 (Revised), <i>Quality Control for an Audit of Financial Statements</i>, paragraphs 15–1727–3129–33</p> <p>²⁸ <u>International Standard on Quality Management (ISQM) 2, <i>Engagement Quality Reviews</i></u></p>

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IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	²⁹ ISQC 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i> , paragraphs 32–33, 35–38, and 48 ³⁰ ISA 220 (Revised), paragraph 2		²⁹ ISQC 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i>, paragraphs 32–33, 35–38, and 48 ³⁰ ISA 220, paragraph 2
ISA 230, paragraph A7 ¹⁴	<p>Application and Other Explanatory Material</p> <p>Documentation of the Audit Procedures Performed and Audit Evidence Obtained</p> <p><i>Form, Content and Extent of Audit Documentation</i> (Ref: Para. 8)</p> <p>Documentation of Compliance with ISAs (Ref: Para. 8(a))</p> <p>Audit documentation provides evidence that the audit complies with the ISAs. However, it is neither necessary nor practicable for the auditor to document every matter considered, or professional judgment made, in an audit. Further, it is unnecessary for the auditor to document separately (as in a checklist, for example) compliance with matters for which compliance is demonstrated by documents included within the audit file. For example:</p> <ul style="list-style-type: none"> • The existence of an adequately documented audit plan demonstrates that the auditor has planned the audit. • The existence of a signed engagement letter in the audit file demonstrates that the auditor has agreed the terms of the audit engagement with management or, where appropriate, those charged with governance. • An auditor’s report containing an appropriately qualified opinion on the financial statements demonstrates that the auditor has complied with the requirement to express a 		<p>Application and Other Explanatory Material</p> <p>Documentation of the Audit Procedures Performed and Audit Evidence Obtained</p> <p><i>Form, Content and Extent of Audit Documentation</i> (Ref: Para. 8)</p> <p>Documentation of Compliance with ISAs (Ref: Para. 8(a))</p> <p>Audit documentation provides evidence that the audit complies with the ISAs. However, it is neither necessary nor practicable for the auditor to document every matter considered, or professional judgment made, in an audit. Further, it is unnecessary for the auditor to document separately (as in a checklist, for example) compliance with matters for which compliance is demonstrated by documents included within the audit file. For example:</p> <ul style="list-style-type: none"> • The existence of an adequately documented audit plan demonstrates that the auditor has planned the audit. • The existence of a signed engagement letter in the audit file demonstrates that the auditor has agreed the terms of the audit engagement with management or, where appropriate, those charged with governance. • An auditor’s report containing an appropriately qualified opinion on the financial statements demonstrates that the auditor has complied with the requirement to express a qualified opinion

¹⁴ The wording in the “ED” column reflects conforming changes arising from ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*.

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p>qualified opinion under the circumstances specified in the ISAs.</p> <ul style="list-style-type: none"> • In relation to requirements that apply generally throughout the audit, there may be a number of ways in which compliance with them may be demonstrated within the audit file: <ul style="list-style-type: none"> ○ For example, there may be no single way in which the auditor’s professional skepticism is documented. But the audit documentation may nevertheless provide evidence of the auditor’s exercise of professional skepticism in accordance with the ISAs. <u>For example, in relation to accounting estimates, when the audit evidence obtained includes evidence that both corroborates and contradicts management’s assertions, documenting how the auditor evaluated that evidence, including the professional judgments made in forming a conclusion as to the sufficiency and appropriateness of the audit evidence obtained. Such evidence may include specific procedures performed to corroborate management’s responses to the auditor’s inquiries.</u> ○ Similarly, that the engagement partner has taken responsibility for the <u>nature, timing and extent</u> of direction, <u>and supervision and performance</u> of the <u>audit in compliance with engagement team and the ISAs</u> review of the work performed may be evidenced in a number of ways within the audit documentation. This may include documentation of that evidences the engagement partner’s <u>timely sufficient and appropriate</u> involvement in <u>aspects</u> of the audit, such as participation in 		<p>under the circumstances specified in the ISAs.</p> <ul style="list-style-type: none"> • In relation to requirements that apply generally throughout the audit, there may be a number of ways in which compliance with them may be demonstrated within the audit file: <ul style="list-style-type: none"> ○ For example, there may be no single way in which the auditor’s professional skepticism is documented. But the audit documentation may nevertheless provide evidence of the auditor’s exercise of professional skepticism in accordance with the ISAs. For example, in relation to accounting estimates, when the audit evidence obtained includes evidence that both corroborates and contradicts management’s assertions, documenting how the auditor evaluated that evidence, including the professional judgments made in forming a conclusion as to the sufficiency and appropriateness of the audit evidence obtained. ○ Similarly, that the engagement partner has taken responsibility for the <u>nature, timing and extent</u> of direction, <u>and supervision and performance</u> of the <u>audit in compliance with engagement team and the ISAs</u> review of the work performed may be evidenced in a number of ways within the audit documentation. This may include documentation of that evidences the engagement partner’s <u>timely sufficient and appropriate</u> involvement in <u>aspects</u> of the audit, such as participation in <u>the engagement team</u> discussions required by ISA 315 (Revised 2019).³⁴ <p>³⁴—ISA 315 (Revised 2019), <i>Identifying and Assessing the Risks of Material Misstatement</i>, paragraph 17</p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p>the engagement team discussions required by ISA 315 (Revised 2019).³⁴</p> <p>³⁴ ISA 315 (Revised 2019), <i>Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment</i>, paragraph 1017</p>		
ISA 230, paragraph A13	<p>ISA 220 (Revised) contains requirements and guidance on therequires the auditor to review the audit work performed through review of the audit documentation.³² The requirement to document who reviewed the audit work performed does not imply a need for each specific working paper to include evidence of review. The requirement, however, means documenting what audit work was reviewed, who reviewed such work, and when it was reviewed.</p> <p>³² ISA 220 (Revised), paragraphs 1728–29</p>	B	<p>ISA 220 (Revised) contains requirements and guidance on therequires the auditor to review the audit work performed through review of the audit documentation.³² The requirement to document who reviewed the audit work performed does not imply a need for each specific working paper to include evidence of review. The requirement, however, means documenting what audit work was reviewed, who reviewed such work, and when it was reviewed.</p> <p>³² ISA 220 (Revised), paragraphs 1729–3228–29</p>
ISA 230, paragraph A20	<p><i>Matters Arising after the Date of the Auditor's Report</i> (Ref: Para. 13)</p> <p>Examples of exceptional circumstances include facts which become known to the auditor after the date of the auditor's report but which existed at that date and which, if known at that date, might have caused the financial statements to be amended or the auditor to modify the opinion in the auditor's report.³³ The resulting changes to the audit documentation are reviewed in accordance with the review responsibilities set out in ISA 220 (Revised).³⁴ with the engagement partner taking final responsibility for the changes.</p> <p>³³ ISA 560, <i>Subsequent Events</i>, paragraph 14</p> <p>³⁴ ISA 220 (Revised), paragraph 1627</p>	B	<p><i>Matters Arising after the Date of the Auditor's Report</i> (Ref: Para. 13)</p> <p>Examples of exceptional circumstances include facts which become known to the auditor after the date of the auditor's report but which existed at that date and which, if known at that date, might have caused the financial statements to be amended or the auditor to modify the opinion in the auditor's report.³³ The resulting changes to the audit documentation are reviewed in accordance with the review responsibilities set out in ISA 220 (Revised).³⁴ with the engagement partner taking final responsibility for the changes.</p> <p>³³ ISA 560, <i>Subsequent Events</i>, paragraph 14</p> <p>³⁴ ISA 220 (Revised), paragraph 16271629–34</p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
ISA 230, paragraph A21	<p>Assembly of the Final Audit File (Ref: Para. 14–16)</p> <p>ISQCM 1 (or national requirements that are at least as demanding) requires firms to establish policies and/or procedures <u>that require the engagement files to be assembled within an appropriate period of time after the engagement reports have been finalized</u>for the timely completion of the assembly of audit files.³⁵ An appropriate time limit within which to complete the assembly of the final audit file is ordinarily not more than 60 days after the date of the auditor’s report.³⁶</p> <p>³⁵ ISQCM 1, paragraph 45<u>37(f)(i)</u></p> <p>³⁶ ISQCM 1, paragraph A54<u>A110</u></p>	A	<p>Assembly of the Final Audit File (Ref: Para. 14–16)</p> <p>ISQCM 1 (or national requirements that are at least as demanding) requires firms’ to establish policies and/or procedures that require the engagement files to be assembled within an appropriate period of time <u>systems of quality management to address the assembly of engagement documentation on a timely basis</u> after the engagement reports have been finalizedfor the timely completion of the assembly of audit files.³⁵ An appropriate time limit within which to complete the assembly of the final audit file is ordinarily not more than 60 days after the date of the auditor’s report.³⁶</p> <p>³⁵ ISQCM 1, paragraph 45<u>37(f)(i)36(f)</u></p> <p>³⁶ ISQCM 1, paragraph A54<u>A110A108</u></p>
ISA 230, paragraph A23	<p>ISQCM 1 (or national requirements that are at least as demanding) requires firms to establish policies and/or procedures for the retention of engagement documentation<u>that require the engagement documentation to be retained and maintained to meet the needs of the firm and to comply with law, regulation, relevant ethical requirements, or other professional standards.</u>³⁷ The retention period for audit engagements ordinarily is no shorter than five years from the date of the auditor’s report, or, if later, the date of the group auditor’s report <u>on the group financial statements, when applicable.</u>³⁸</p> <p>³⁷ ISQCM 1, paragraph 47<u>37(f)(ii)</u></p> <p>³⁸ ISQCM 1, paragraph A64<u>A111</u></p>	A	<p>ISQCM 1 (or national requirements that are at least as demanding) requires firms’ to establish policies and/or procedures for the retention of engagement documentation<u>that require the engagement documentation to be retained and maintained systems of quality management to address the appropriate maintenance and retention of engagement documentation</u> to meet the needs of the firm and to comply with law, regulation, relevant ethical requirements, or other professional standards.³⁷</p> <p>The retention period for audit engagements ordinarily is no shorter than five years from the date of the auditor’s report, or, if later, the date of the group auditor’s report <u>on the group financial statements, when applicable.</u>³⁸</p> <p>³⁷ ISQCM 1, paragraph 47<u>37(f)(ii)36(f)</u></p> <p>³⁸ ISQCM 1, paragraph A64<u>A111</u></p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
ISA 230, paragraph A24	An example of a circumstance in which the auditor may find it necessary to modify existing audit documentation or add new audit documentation after file assembly has been completed is the need to clarify existing audit documentation arising from comments received during monitoring inspections performed by internal activities or external parties inspections.		An example of a circumstance in which the auditor may find it necessary to modify existing audit documentation or add new audit documentation after file assembly has been completed is the need to clarify existing audit documentation arising from comments received during monitoring inspections performed by internal activities or external parties inspections.
ISA 230, Appendix	<p>Appendix (Ref: Para. 1)</p> <p>Specific Audit Documentation Requirements in Other ISAs</p> <p>This appendix identifies paragraphs in other ISAs that contain specific documentation requirements. The list is not a substitute for considering the requirements and related application and other explanatory material in ISAs.</p> <ul style="list-style-type: none"> ISA 210, <i>Agreeing the Terms of Audit Engagements</i> – paragraphs 10–12 ISA 220 (Revised), <i>Quality Control/Management for an Audit of Financial Statements</i> – paragraphs 24–2538 		<p>Appendix (Ref: Para. 1)</p> <p>Specific Audit Documentation Requirements in Other ISAs</p> <p>This appendix identifies paragraphs in other ISAs that contain specific documentation requirements. The list is not a substitute for considering the requirements and related application and other explanatory material in ISAs.</p> <ul style="list-style-type: none"> ISA 210, <i>Agreeing the Terms of Audit Engagements</i> – paragraphs 10–12 ISA 220 (Revised), <i>Quality Control/Management for an Audit of Financial Statements</i> – paragraphs 24–2538253841
ISA 250 (Revised), Consideration of Laws and Regulations in an Audit of Financial Statements			
ISA 250, paragraph A25	In certain circumstances, the auditor may consider withdrawing from the engagement, where permitted by law or regulation, for example when management or those charged with governance do not take the remedial action that the auditor considers appropriate in the circumstances or the identified or suspected non-compliance raises questions regarding the integrity of management or those charged with governance, even when the non-compliance is not material to the financial statements. The auditor may consider it appropriate to obtain legal advice to determine whether withdrawal from the engagement is appropriate. When the auditor determines that		In certain circumstances, the auditor may consider withdrawing from the engagement, where permitted by law or regulation, for example when management or those charged with governance do not take the remedial action that the auditor considers appropriate in the circumstances or the identified or suspected non-compliance raises questions regarding the integrity of management or those charged with governance, even when the non-compliance is not material to the financial statements. The auditor may consider it appropriate to obtain legal advice to determine whether withdrawal from the engagement is appropriate. When the auditor determines that withdrawing from

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p>withdrawing from the engagement would be appropriate, doing so would not be a substitute for complying with other responsibilities under law, regulation or relevant ethical requirements to respond to identified or suspected non-compliance. Furthermore, paragraph A9A49 of ISA 220³⁹ (Revised)³⁹ indicates that some ethical requirements may require the predecessor auditor, upon request by the proposed successor auditor, to provide information regarding non-compliance with laws and regulations to the successor auditor.</p> <p>³⁹—ISA 220, <i>Quality Control for an Audit of Financial Statements</i></p>		<p>the engagement would be appropriate, doing so would not be a substitute for complying with other responsibilities under law, regulation or relevant ethical requirements to respond to identified or suspected non-compliance. Furthermore, paragraph A9A49 of ISA 220 (Revised)³⁹ indicates that some ethical requirements may require the predecessor auditor, upon request by the proposed successor auditor, to provide information regarding non-compliance with laws and regulations to the successor auditor.</p> <p>³⁹—ISA 220, <i>Quality Control for an Audit of Financial Statements</i></p>
ISA 260 (Revised), Communication with Those Charged with Governance			
ISA 260, paragraph A28	<p>Matters to Be Communicated</p> <p><i>Significant Findings from the Audit</i> (Ref: Para. 16)</p> <p>Other Significant Matters Relevant to the Financial Reporting Process (Ref: Para. 16(e))</p> <p>To the extent not already addressed by the requirements in paragraphs 16(a)–(d) and related application material, the auditor may consider communicating about other matters discussed with, or considered by, the engagement quality control reviewer, if one has been appointed, in accordance with ISA 220.⁴⁰</p> <p>⁴⁰—See paragraphs 19–22 and A23–A33 of ISA 220, <i>Quality Control for an Audit of Financial Statements</i>.</p>		<p>Matters to Be Communicated</p> <p><i>Significant Findings from the Audit</i> (Ref: Para. 16)</p> <p>Other Significant Matters Relevant to the Financial Reporting Process (Ref: Para. 16(e))</p> <p>To the extent not already addressed by the requirements in paragraphs 16(a)–(d) and related application material, the auditor may consider communicating about other matters discussed with, or considered by, the engagement quality control reviewer, if one has been appointed, in accordance with ISA 220.⁴⁰</p> <p>⁴⁰—See paragraphs 19–22 and A23–A33 of ISA 220, <i>Quality Control for an Audit of Financial Statements</i>.</p>
ISA 260, Appendix 1	<p>Appendix 1</p> <p>Specific Requirements in ISQCM 1 and Other ISAs that Refer to Communications with Those Charged With Governance</p>	B	<p>Appendix 1</p> <p>Specific Requirements in ISQCM 1 and Other ISAs that Refer to Communications with Those Charged With Governance</p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p>This appendix identifies paragraphs in ISQCM_1⁴¹ and other ISAs that require communication of specific matters with those charged with governance. The list is not a substitute for considering the requirements and related application and other explanatory material in ISAs.</p> <ul style="list-style-type: none"> ISQCM_1, <i>Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i> – paragraph 30(a)41(c) <p>...</p> <p>⁴¹ ISQCM_1, <i>Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i></p>		<p>This appendix identifies paragraphs in ISQCM_1⁴¹ and other ISAs that require communication of specific matters with those charged with governance. The list is not a substitute for considering the requirements and related application and other explanatory material in ISAs.</p> <ul style="list-style-type: none"> ISQCM_1, <i>Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i> – paragraph 30(a)41(e)A(dA) <p>...</p> <p>⁴¹ ISQCM_1, <i>Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i></p>
ISA 300, Planning an Audit of Financial Statements			
ISA 300, paragraph 1	<p>Introduction</p> <p>Scope of this ISA</p> <p>This International Standard on Auditing (ISA) deals with the auditor’s responsibility to plan an audit of financial statements. This ISA is written in the context of recurring audits. Additional considerations in an initial audit engagement are separately identified.</p>		<p>Introduction</p> <p>Scope of this ISA</p> <p>This International Standard on Auditing (ISA) deals with the auditor’s responsibility to plan an audit of financial statements. This ISA is written in the context of recurring audits. Additional considerations in an initial audit engagement are separately identified.</p>
ISA 300, paragraph 2	<p>The Role and Timing of Planning</p> <p>Planning an audit involves establishing the overall audit strategy for the engagement and developing an audit plan. <u>Adequate Quality management at the engagement level in accordance with ISA 220 (Revised), in conjunction with adequate planning in accordance with this ISA,</u> benefits the audit of financial statements in several ways, including the</p>		<p>The Role and Timing of Planning</p> <p>Planning an audit involves establishing the overall audit strategy for the engagement and developing an audit plan. <u>Adequate Quality management at the engagement level in accordance with ISA 220 (Revised), in conjunction with adequate planning in accordance with this ISA,</u> benefits the audit of financial statements in several ways, including the</p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p>following: (Ref: Para. A1A0–A3)</p> <ul style="list-style-type: none"> • Helping the auditor to devote appropriate attention to important areas of the audit. • Helping the auditor identify and resolve potential problems on a timely basis. • Helping the auditor properly organize and manage the audit engagement so that it is performed in an effective and efficient manner. • Assisting in the selection of engagement team members with appropriate levels of capabilities and competence to respond to anticipated risks, and the proper assignment of work to them. • Facilitating the direction and supervision of engagement team members and the review of their work. • Assisting, where applicable, in coordination of work done by auditors of components and experts. 		<p>following: (Ref: Para. A1A0–A3)</p> <ul style="list-style-type: none"> • Helping the auditor to devote appropriate attention to important areas of the audit. • Helping the auditor identify and resolve potential problems on a timely basis. • Helping the auditor properly organize and manage the audit engagement so that it is performed in an effective and efficient manner. • Assisting in the selection of engagement team members with appropriate levels of capabilities and competence to respond to anticipated risks, and the proper assignment of work to them. • Facilitating the direction and supervision of engagement team members and the review of their work. • Assisting, where applicable, in coordination of work done by auditors of components and experts.
ISA 300, paragraph 6	<p>Requirements</p> <p>Preliminary Engagement Activities</p> <p>The auditor shall undertake the following activities at the beginning of the current audit engagement:</p> <p>(a) Performing procedures required by ISA 220 (<u>Revised</u>) regarding the <u>acceptance and</u> continuance of the client relationship and the specific audit engagement;⁴²</p> <p>(b) Evaluating compliance with relevant ethical requirements, including <u>those related to</u> independence, in accordance with ISA 220 (<u>Revised</u>);⁴³ and</p> <p>(c) Establishing an understanding of the terms of the</p>	B	<p>Requirements</p> <p>Preliminary Engagement Activities</p> <p>The auditor shall undertake the following activities at the beginning of the current audit engagement:</p> <p>(a) Performing procedures required by ISA 220 (<u>Revised</u>) regarding the <u>acceptance and</u> continuance of the client relationship and the specific audit engagement;⁴²</p> <p>(b) Evaluating compliance with relevant ethical requirements, including <u>those related to</u> independence, in accordance with ISA 220 (<u>Revised</u>);⁴³ and</p> <p>(c) Establishing an understanding of the terms of the</p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p>engagement, as required by ISA 210.⁴⁴ (Ref: Para. A5–A7)</p> <p>⁴² ISA 220 (<u>Revised</u>), <u>Quality Control/Management for an Audit of Financial Statements</u>, paragraphs 12–13<u>20–22</u></p> <p>⁴³ ISA 220 (<u>Revised</u>), paragraphs 9–11<u>14–19</u></p> <p>⁴⁴ ISA 210, <u>Agreeing the Terms of Audit Engagements</u>, paragraphs 9–13</p>		<p>engagement, as required by ISA 210.⁴⁴ (Ref: Para. A5–A7)</p> <p>⁴² ISA 220 (<u>Revised</u>), <u>Quality Control/Management for an Audit of Financial Statements</u>, paragraphs 12–13<u>20–22</u>22–24</p> <p>⁴³ ISA 220 (<u>Revised</u>), paragraphs 9–11<u>14–19</u>16–21</p> <p>⁴⁴ ISA 210, <u>Agreeing the Terms of Audit Engagements</u>, paragraphs 9–13</p>
ISA 300, paragraph 8	<p>Planning Activities</p> <p>In establishing the overall audit strategy, the auditor shall <u>consider the information obtained from complying with the requirements of ISA 220 (Revised) and:</u></p> <p>(a) Identify the characteristics of the engagement that define its scope;</p> <p>(b) Ascertain the reporting objectives of the engagement to plan the timing of the audit and the nature of the communications required;</p> <p>(c) Consider the factors that, in the auditor’s professional judgment, are significant in directing the engagement team’s efforts;</p> <p>(d) Consider the results of preliminary engagement activities and, where applicable, whether knowledge gained on other engagements performed by the engagement partner for the entity is relevant; and</p> <p>(e) Ascertain the nature, timing and extent of resources necessary to perform the engagement. (Ref: Para. A8–A11)</p>	B	<p>Planning Activities</p> <p>In establishing the overall audit strategy, the auditor shall <u>consider the information obtained from complying with the requirements of ISA 220 (Revised) and:</u></p> <p>(a) Identify the characteristics of the engagement that define its scope;</p> <p>(b) Ascertain the reporting objectives of the engagement to plan the timing of the audit and the nature of the communications required;</p> <p>(c) Consider the factors that, in the auditor’s professional judgment, are significant in directing the engagement team’s efforts;</p> <p>(d) Consider the results of preliminary engagement activities and, where applicable, whether knowledge gained on other engagements performed by the engagement partner for the entity is relevant; and</p> <p>(e) Ascertain the nature, timing and extent of resources necessary to perform the engagement.^{44A} (Ref: Para. A8–A11)</p> <p>^{44A} ISA 220 (<u>Revised</u>), <u>paragraph 25</u></p>

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Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
ISA 300, paragraph 9(a) ¹⁵	No conforming change in EM	A	<p>The auditor shall develop an audit plan that shall include a description of:</p> <p><u>(a) The nature, timing and extent of the planned direction and supervision of engagement team members and the review of their work. (Ref: Para. A16–A17)</u></p> <p><u>(ab) The nature, timing and extent of planned risk assessment procedures, as determined under ISA 315 (Revised 2019).^{44A}</u></p> <p><u>(bc) The nature, timing and extent of planned further audit procedures at the assertion level, as determined under ISA 330.^{44B}</u></p> <p><u>(ed) Other planned audit procedures that are required to be carried out so that the engagement complies with ISAs. (Ref: Para. A12-A14)</u></p> <p>^{44B} ISA 315 (Revised 2019), <i>Identifying and Assessing the Risks of Material Misstatement</i></p> <p>^{44C} ISA 330, <i>The Auditor's Responses to Assessed Risks</i></p>
ISA 300, paragraph 11	The auditor shall plan the nature, timing and extent of direction and supervision of engagement team members and the review of their work as required by ISA 220 (Revised). (Ref: Para. A16–A17)	A	The auditor shall plan the nature, timing and extent of direction and supervision of engagement team members and the review of their work as required by ISA 220 (Revised). (Ref: Para. A16–A17)
ISA 300, paragraph 11A	No conforming change in EM	A	<u>The engagement partner shall review the overall audit strategy and audit plan.</u>

¹⁵ Conforming change proposed arising from ISA 220 (Revised) and proposed ISA 600 (Revised). Discussed by the IAASB at its December 2019 meeting (see the discussion in Section II of [Agenda Item 2](#) and [Agenda Item 2-D](#) for the proposed changes). Paragraph 11 is deleted as a consequence and paragraph 11A is added to link to ISA 220 (Revised). In addition, paragraph 12(c) regarding documentation of the audit strategy and audit plan has been amended to refer to the nature, timing and extent of the direction, supervision and review of engagement team members.

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
ISA 300, paragraph 12	No conforming change in EM (only change to this paragraph is as noted in item (c) and related new footnote 44E)	A	<p>Documentation</p> <p>The auditor shall include in the audit documentation.^{44D}</p> <p>(a) The overall audit strategy;</p> <p>(b) The audit plan; and</p> <p>(c) Any significant changes made during the audit engagement to the overall audit strategy or the audit plan, including any changes to the nature, timing and extent of the planned direction and supervision of engagement team members and the review of their work, ^{44E} and the reasons for such changes. (Ref: Para. A18–A21)</p> <p>^{44D} ISA 230, Audit Documentation, paragraphs 8–11, and A6</p> <p>^{44E} ISA 220 (Revised), paragraphs 29–34 and A92</p>
ISA 300, paragraph 13	<p>Additional Considerations in Initial Audit Engagements</p> <p>The auditor shall undertake the following activities prior to starting an initial audit:</p> <p>(a) Performing procedures required by ISA 220 (Revised) regarding the acceptance of the client relationships and the specific audit engagements;⁴⁵ and</p> <p>(b) Communicating with the predecessor auditor, where there has been a change of auditors, in compliance with relevant ethical requirements. (Ref: Para. A22)</p> <p>⁴⁵ ISA 220 (Revised), paragraphs 12–1320–22</p>	B	<p>Additional Considerations in Initial Audit Engagements</p> <p>The auditor shall undertake the following activities prior to starting an initial audit:</p> <p>(a) Performing procedures required by ISA 220 (Revised) regarding the acceptance of the client relationships and the specific audit engagements;⁴⁵ and</p> <p>(b) Communicating with the predecessor auditor, where there has been a change of auditors, in compliance with relevant ethical requirements. (Ref: Para. A22)</p> <p>⁴⁵ ISA 220 (Revised), paragraphs 12–1320–2222–24</p>
ISA 300, new paragraph A0	<p>Application and Other Explanatory Material</p> <p><u>ISA 220 (Revised) establishes requirements and provides guidance on the specific responsibilities of the auditor regarding quality management at the engagement level for an audit of</u></p>	B	<p>Application and Other Explanatory Material</p> <p><u>ISA 220 (Revised) deals with establishes requirements and provides guidance on the specific responsibilities of the auditor regarding quality management at the engagement level for an</u></p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p><u>financial statements, and the related responsibilities of the engagement partner. Information obtained from complying with the requirements of ISA 220 (Revised) is relevant to this ISA. For example, in accordance with ISA 220 (Revised), the engagement partner is required to determine that sufficient and appropriate resources to perform the engagement have been assigned or made available to the engagement team, given the nature and circumstances of the audit engagement. Such a determination is directly relevant when describing the nature, timing and extent of resources necessary to perform the engagement in the overall strategy, as required by paragraph 8 of this ISA.</u></p>		<p><u>audit of financial statements, and the related responsibilities of the engagement partner. Information obtained from complying with the requirements of ISA 220 (Revised) is relevant to this ISA. For example, in accordance with ISA 220 (Revised), the engagement partner is required to determine that sufficient and appropriate resources to perform the engagement have been assigned or made available to the engagement team, given the nature and circumstances of the audit engagement. Such a determination is directly relevant when describing-ascertaining the nature, timing and extent of resources necessary to perform the engagement in the overall strategy, as required by paragraph 8 of this ISA.</u></p>
ISA 300, paragraph A1	<p>The Role and Timing of Planning (Ref: Para. 2)</p> <p>The nature and extent of planning activities will vary according to the size and complexity of the entity, the key engagement team members' previous experience with the entity, and changes in circumstances that occur during the audit engagement. <u>In planning the audit, the auditor may use project management techniques and tools. ISA 220 (Revised)⁴⁶ describes how such techniques and tools may support the engagement partner and the other members of the engagement team in managing the quality of the engagement.</u></p> <p>⁴⁶ ISA 220 (Revised), paragraphs A63–A64</p>	B	<p>The Role and Timing of Planning (Ref: Para. 2)</p> <p>The nature and extent of planning activities will vary according to the size and complexity of the entity, the key engagement team members' previous experience with the entity, and changes in circumstances that occur during the audit engagement. <u>In planning the audit, the auditor may use project management techniques and tools. ISA 220 (Revised)⁴⁶ describes how such techniques and tools may support the engagement partner and the other members of the engagement team in managing the quality of the engagement.</u></p> <p>⁴⁶ ISA 220 (Revised), paragraphs A63–A64A71–A72</p>
ISA 300, paragraph A3	<p>The auditor may decide to discuss elements of planning with the entity's management to facilitate the conduct and management of the audit engagement <u>inform quality management at the engagement level</u> (for example, to coordinate some of the planned audit procedures with the work of the entity's personnel). Although these discussions often occur, the overall</p>	B	<p>The auditor may decide to discuss elements of planning with the entity's management to facilitate the conduct and management of the audit engagement <u>help manage and achieve</u> inform quality management <u>at the engagement level</u> (for example, to coordinate some of the planned audit procedures with the work of the entity's personnel). Although these discussions often occur,</p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	audit strategy and the audit plan remain the auditor’s responsibility. When discussing matters included in the overall audit strategy or audit plan, care is required in order not to compromise the effectiveness of the audit. For example, discussing the nature and timing of detailed audit procedures with management may compromise the effectiveness of the audit by making the audit procedures too predictable.		the overall audit strategy and the audit plan remain the auditor’s responsibility. When discussing matters included in the overall audit strategy or audit plan, care is required in order not to compromise the effectiveness of the audit. For example, discussing the nature and timing of detailed audit procedures with management may compromise the effectiveness of the audit by making the audit procedures too predictable.
ISA 300, paragraph A5	<p>Preliminary Engagement Activities (Ref: Para. 6)</p> <p>Performing the preliminary engagement activities specified in paragraph 6 at the beginning of the current audit engagement assists the auditor in identifying and evaluating events or circumstances that may adversely affect the auditor’s ability to plan and perform the audit engagement <u>manage quality at the engagement level in accordance with ISA 220 (Revised)</u>.</p>	B	<p>Preliminary Engagement Activities (Ref: Para. 6)</p> <p>Performing the preliminary engagement activities specified in paragraph 6 at the beginning of the current audit engagement assists the auditor in identifying and evaluating events or circumstances that may adversely affect the auditor’s ability to plan and perform the audit engagement <u>manage and achieve quality at the engagement level in accordance with ISA 220 (Revised)</u>.</p>
ISA 300, paragraph A6	<p>Performing these preliminary engagement activities enables the auditor to plan an audit engagement for which <u>in order to</u>, for example:</p> <ul style="list-style-type: none"> • The auditor maintains <u>Maintain</u> the necessary independence and ability to perform the engagement. • There <u>Determine that there</u> are no issues with management integrity that may affect the auditor’s willingness to continue the engagement. • There <u>Determine that there is</u> no misunderstanding with the client as to the terms of the engagement. 		<p>Performing these preliminary engagement activities enables the auditor to plan an audit engagement for which <u>in order to</u>, for example:</p> <ul style="list-style-type: none"> • The auditor maintains <u>Maintain</u> the necessary independence and ability to perform the engagement. • There <u>Determine that there</u> are no issues with management integrity that may affect the auditor’s willingness to continue the engagement. • There <u>Determine that there is</u> no misunderstanding with the client as to the terms of the engagement.

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ISA 300, paragraph A7	<p>The auditor's consideration of client continuance and relevant ethical requirements, including independence, occurs throughout the audit engagement as conditions and changes in circumstances occur. Performing initial procedures on both client continuance and evaluation of relevant ethical requirements (including independence) at the beginning of the current audit engagement means that they are completed prior to the performance of other significant activities for the current audit engagement. For continuing audit engagements, such initial procedures often occur shortly after (or in connection with) the completion of the previous audit.</p>		<p>The auditor's consideration of client continuance and relevant ethical requirements, including independence, occurs throughout the audit engagement as conditions and changes in circumstances occur. Performing initial procedures on both client continuance and evaluation of relevant ethical requirements (including independence) at the beginning of the current audit engagement means that they are completed prior to the performance of other significant activities for the current audit engagement. For continuing audit engagements, such initial procedures often occur shortly after (or in connection with) the completion of the previous audit.</p>
ISA 300, paragraph A8	<p>Planning Activities</p> <p><i>The Overall Audit Strategy</i> (Ref: Para. 7–8)</p> <p>The process of establishing the overall audit strategy assists the auditor to determine, subject to the completion of the auditor's risk assessment procedures, <u>may include</u> such matters as:</p> <ul style="list-style-type: none"> • The <u>nature of resources (human, technological or intellectual) to deploy be deployed</u> for specific audit areas, such as. For example, the use <u>deployment of appropriately</u> experienced team members for high risk areas, or the involvement <u>assignment of experts</u> to <u>address</u> complex matters; • The amount of resources to allocate <u>be allocated</u> to specific audit areas, such as. For example, the number of team members assigned to observe <u>attend</u> the <u>physical</u> inventory count at material <u>multiple</u> locations; the extent of review of other auditors' work in the case of group audits, or the audit budget in hours to allocate to high risk areas; 		<p>Planning Activities</p> <p><i>The Overall Audit Strategy</i> (Ref: Para. 7–8)</p> <p>The process of establishing the overall audit strategy assists the auditor to determine, subject to the completion of the auditor's risk assessment procedures, <u>may include</u> such matters as:</p> <ul style="list-style-type: none"> • The <u>nature of resources (human, technological or intellectual) to deploy be deployed</u> for specific audit areas, such as. For example, the use <u>deployment of appropriately</u> experienced team members for high risk areas, or the involvement <u>assignment of experts</u> to <u>address</u> complex matters; • The amount of resources to allocate <u>be allocated</u> to specific audit areas, such as. For example, the number of team members assigned to observe <u>attend</u> the <u>physical</u> inventory count at material <u>multiple</u> locations, the extent of review of other auditors' work in the case of group audits, or the audit budget in hours to allocate to high risk areas; • When these resources are to be deployed, such as whether

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	<ul style="list-style-type: none"> When these resources are to be deployed, such as whether at an interim audit stage or at key cutoff dates; and How such resources are managed,—directed and, supervised,—such as or used. For example, when team briefing and debriefing meetings are expected to be held, how engagement partner and manager reviews are expected to take place (for example, on-site or off-site), and whether to complete engagement quality reviews. 		<p>at an interim audit stage or at key cutoff dates; and</p> <ul style="list-style-type: none"> How such resources are managed,—directed and, supervised,—such as or used. For example, when team briefing and debriefing meetings are expected to be held, how engagement partner and manager reviews are expected to take place (for example, on-site or off-site), and whether to complete engagement quality reviews.
ISA 300, new paragraph A8A	<u>ISA 220 (Revised) contains requirements and guidance on engagement resources and engagement performance (including direction and supervision of the members of the engagement team and the review of the work performed).</u>	B	<u>ISA 220 (Revised) contains requirements and guidance on engagement resources and engagement performance (including direction and supervision of the members of the engagement team and the review of their work performed).</u>
ISA 300, paragraph A16	<p><i>Direction, Supervision and Review</i> (Ref: Para. 11)</p> <p>ISA 220 (Revised)⁴⁷ establishes requirements and provides guidance on the engagement partner's <u>responsibility for the nature, timing and extent of direction and supervision of the members of the engagement team and the review of the work performed</u>. The nature, timing and extent of the direction and supervision of engagement team members and review of their work vary depending on many factors, including:</p> <ul style="list-style-type: none"> —The size and complexity of the entity. —The area of the audit. —The assessed risks of material misstatement (for example, an increase in the assessed risk of material misstatement for a given area of the audit ordinarily requires a corresponding increase in the extent and timeliness of direction and supervision of engagement team members, 	B	<p><i>Direction, Supervision and Review</i> (Ref: Para. 11)</p> <p>ISA 220 (Revised)⁴⁷ establishes requirements and provides guidance on the engagement partner's <u>responsibility for the nature, timing and extent of direction and supervision of the members of the engagement team and the review of their work performed</u>. The nature, timing and extent of the direction and supervision of engagement team members and review of their work vary depending on many factors, including:</p> <ul style="list-style-type: none"> —The size and complexity of the entity. —The area of the audit. —The assessed risks of material misstatement (for example, an increase in the assessed risk of material misstatement for a given area of the audit ordinarily requires a corresponding increase in the extent and timeliness of direction and supervision of engagement team members, and a more

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	<p>and a more detailed review of their work).</p> <ul style="list-style-type: none"> • The capabilities and competence of the individual team members performing the audit work. <p>ISA 220 contains further guidance on the direction, supervision and review of audit work.⁴⁸</p> <p>⁴⁷ ISA 220 (Revised), paragraphs 27–29</p> <p>⁴⁸ ISA 220, paragraphs 15–17</p>		<p>detailed review of their work).</p> <ul style="list-style-type: none"> • The capabilities and competence of the individual team members performing the audit work. <p>ISA 220 contains further guidance on the direction, supervision and review of audit work.⁴⁸</p> <p>⁴⁷ ISA 220 (Revised), paragraphs 29–31 27–29</p> <p>⁴⁸ ISA 220, paragraphs 15–17</p>
ISA 300, paragraph A17	<p><i>Considerations Specific to Smaller Entities</i></p> <p>If an audit is carried out entirely by the engagement partner, questions of direction and supervision of engagement team members and review of their work do not arise. In such cases, the engagement partner, having personally conducted all aspects of the work, will be aware of all material issues. Forming an objective view on the appropriateness of the judgments made in the course of the audit can present practical problems when the same individual also performs the entire audit. If particularly complex or unusual issues are involved, and the audit is performed by a sole practitioner, it may be desirable to consult with other suitably experienced auditors or the auditor's professional body.</p>		<p><i>Considerations Specific to Smaller Entities</i></p> <p>If an audit is carried out entirely by the engagement partner, questions of direction and supervision of engagement team members and review of their work do not arise. In such cases, the engagement partner, having personally conducted all aspects of the work, will be aware of all material issues. Forming an objective view on the appropriateness of the judgments made in the course of the audit can present practical problems when the same individual also performs the entire audit. If particularly complex or unusual issues are involved, and the audit is performed by a sole practitioner, it may be desirable to consult with other suitably experienced auditors or the auditor's professional body.</p>
ISA 300, paragraph A18	<p>Documentation (Ref: Para. 12)</p> <p>The documentation of the overall audit strategy is a record of the key decisions considered necessary to properly plan the audit and in managing quality at the engagement level and a <u>means</u> to communicate significant matters to the engagement team. For example, the auditor may summarize the overall audit strategy in the form of a memorandum that contains key</p>		<p>Documentation (Ref: Para. 12)</p> <p>The documentation of the overall audit strategy is a record of the key decisions considered necessary to properly plan the audit and in managing quality at the engagement level and a <u>means</u> to communicate significant matters to the engagement team. For example, the auditor may summarize the overall audit strategy in the form of a memorandum that contains key decisions regarding the overall scope, timing and conduct of the audit.</p>

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	decisions regarding the overall scope, timing and conduct of the audit.		
ISA 300, paragraph A20A	No conforming change in EM	A	<u>Documentation of the direction and supervision of engagement team members and review of their work in accordance with ISA 220 (Revised) may also provide a record of the significant changes to the planned nature, timing and extent of the direction, supervision and review.</u>
ISA 300, paragraph A22	<p>Additional Considerations in Initial Audit Engagements (Ref: Para. 13)</p> <p>The purpose and objective of planning the audit are the same whether the audit is an initial or recurring engagement. However, for an initial audit, the auditor may need to expand the planning activities because the auditor does not ordinarily have the previous experience with the entity that is considered when planning recurring engagements. For an initial audit engagement, additional matters the auditor may consider in establishing the overall audit strategy and audit plan include the following:</p> <ul style="list-style-type: none"> • Unless prohibited by law or regulation, arrangements to be made with the predecessor auditor, for example, to review the predecessor auditor’s working papers. • Any major issues (including the application of accounting principles or of auditing and reporting standards) discussed with management in connection with the initial selection as auditor, the communication of these matters to those charged with governance and how these matters affect the overall audit strategy and audit plan. • The audit procedures necessary to obtain sufficient 		<p>Additional Considerations in Initial Audit Engagements (Ref: Para. 13)</p> <p>The purpose and objective of planning the audit are the same whether the audit is an initial or recurring engagement. However, for an initial audit, the auditor may need to expand the planning activities because the auditor does not ordinarily have the previous experience with the entity that is considered when planning recurring engagements. For an initial audit engagement, additional matters the auditor may consider in establishing the overall audit strategy and audit plan include the following:</p> <ul style="list-style-type: none"> • Unless prohibited by law or regulation, arrangements to be made with the predecessor auditor, for example, to review the predecessor auditor’s working papers. • Any major issues (including the application of accounting principles or of auditing and reporting standards) discussed with management in connection with the initial selection as auditor, the communication of these matters to those charged with governance and how these matters affect the overall audit strategy and audit plan. • The audit procedures necessary to obtain sufficient

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	<p>appropriate audit evidence regarding opening balances.⁴⁹</p> <ul style="list-style-type: none"> Other procedures <u>required responses designed and implemented</u> by the firm's system of quality control firm for initial audit engagements (for example, e.g., the firm's system of quality control management <u>may include responses that require the involvement of another partner or senior individual with appropriate authority</u> to review the overall audit strategy prior to commencing significant audit procedures or to review reports prior to their issuance). <p>⁴⁹ ISA 510, <i>Initial Audit Engagements—Opening Balances</i></p>		<p>appropriate audit evidence regarding opening balances.⁴⁹</p> <ul style="list-style-type: none"> Other procedures <u>required responses designed and implemented</u> by the firm's system of quality control firm for initial audit engagements (for example, e.g., the firm's system of quality control management <u>may include responses that require the involvement of another partner or senior individual with appropriate authority</u> to review the overall audit strategy prior to commencing significant audit procedures or to review reports prior to their issuance). <p>⁴⁹ ISA 510, <i>Initial Audit Engagements—Opening Balances</i></p>
ISA 300, Appendix	<p>Appendix (Ref: Para. 7–8, A8–A11)</p> <p>Considerations in Establishing the Overall Audit Strategy</p> <p>This appendix provides examples of matters the auditor may consider in establishing the overall audit strategy <u>managing quality at the engagement level</u>. Many of these matters will also influence the auditor's <u>overall audit strategy and</u> detailed audit plan. The examples provided cover a broad range of matters applicable to many engagements. While some of the matters referred to below may be required by other ISAs, not all matters are relevant to every audit engagement and the list is not necessarily complete.</p>		<p>Appendix (Ref: Para. 7–8, A8–A11)</p> <p>Considerations in Establishing the Overall Audit Strategy</p> <p>This appendix provides examples of matters the auditor may consider in establishing the overall audit strategy <u>managing quality at the engagement level</u>. Many of these matters will also influence the auditor's <u>overall audit strategy and</u> detailed audit plan. The examples provided cover a broad range of matters applicable to many engagements. While some of the matters referred to below may be required by other ISAs, not all matters are relevant to every audit engagement and the list is not necessarily complete.</p>
ISA 300, Appendix	<p>Nature, Timing and Extent of Resources</p> <ul style="list-style-type: none"> The selection <u>human, technological and intellectual resources assigned or made available to the engagement (e.g., assignment of the engagement team</u> 		<p>Nature, Timing and Extent of Resources</p> <ul style="list-style-type: none"> The selection <u>human, technological and intellectual resources assigned or made available to the engagement (e.g., assignment of the engagement team (including, where</u>

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	<p>(including, where necessary, the engagement quality control reviewer) and the assignment of audit work to the team members, including the assignment of appropriately experienced team members to areas where there may be higher risks of material misstatement).</p> <ul style="list-style-type: none"> Engagement budgeting, including considering the appropriate amount of time to set aside for areas where there may be higher risks of material misstatement. 		<p>necessary, the engagement quality control reviewer) and the assignment of audit work to the team members, including the assignment of appropriately experienced team members to areas where there may be higher risks of material misstatement).</p> <ul style="list-style-type: none"> Engagement budgeting, including considering the appropriate amount of time to set aside for areas where there may be higher risks of material misstatement.
ISA 500, Audit Evidence			
ISA 500, paragraph A1-A5 ¹⁶	<p>Application and Other Explanatory Material Sufficient Appropriate Audit Evidence (Ref: Para. 6)</p> <p>Audit evidence is necessary to support the auditor’s opinion and report. It is cumulative in nature and is primarily obtained from audit procedures performed during the course of the audit. It may, however, also include information obtained from other sources such as previous audits (provided the auditor has <u>evaluated whether such information remains relevant and reliable as audit evidence for the current audit</u> determined whether changes have occurred since the previous audit that may affect its relevance to the current audit⁵⁰) or a firm’s quality control procedures for client acceptance and continuance through the information obtained by the firm in the <u>acceptance or continuance of the client relationship or engagement. In addition, the entity’s accounting records and other sources internal to the entity are important sources of audit evidence. Information that may be used as audit evidence may have been prepared using the work of a management’s</u></p>		<p>Application and Other Explanatory Material Sufficient Appropriate Audit Evidence (Ref: Para. 6)</p> <p>Audit evidence is necessary to support the auditor’s opinion and report. It is cumulative in nature and is primarily obtained from audit procedures performed during the course of the audit. It may, however, also include information obtained from other sources such as previous audits (provided the auditor has evaluated whether such information remains relevant and reliable as audit evidence for the current audit⁵⁰) or <u>a firm’s quality control procedures for client acceptance and continuance through the information obtained by the firm in the acceptance or continuance of the client relationship or engagement.</u> In addition, the entity’s accounting records and other sources internal to the entity are important sources of audit evidence. Information that may be used as audit evidence may have been prepared using the work of a management’s expert or be obtained from an external information source. Audit evidence comprises both information that supports and corroborates</p>

¹⁶ Paragraph renumbered due conforming amendments arising from ISA 540 (Revised). Changes are due to ISA 315 (Revised 2019) and ISA 540 (Revised).

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	<p>expert or be obtained from an external information source. In addition to other sources inside and outside the entity, the entity's accounting records are an important source of audit evidence. Also, information that may be used as audit evidence may have been prepared using the work of a management's expert. Audit evidence comprises both information that supports and corroborates management's assertions, and any information that contradicts such assertions. In addition, in some cases the absence of information (for example, management's refusal to provide a requested representation) is used by the auditor, and therefore, also constitutes audit evidence.</p> <p>⁵⁰ ISA 315 (Revised 2019), paragraph 9.16</p>		<p>management's assertions, and any information that contradicts such assertions. In addition, in some cases the absence of information (for example, management's refusal to provide a requested representation) is used by the auditor, and therefore, also constitutes audit evidence.</p> <p>⁵⁰ ISA 315 (Revised 2019), paragraph 16</p>
ISA 500, paragraph A26A30 ¹⁷	<p>Information to Be Used as Audit Evidence <i>Relevance and Reliability</i> (Ref: Para. 7)</p> <p>As noted in paragraph A1, while audit evidence is primarily obtained from audit procedures performed during the course of the audit, it may also include information obtained from other sources such as, for example, previous audits, in certain circumstances, a firm's quality control procedures for client acceptance and continuance and<u>through the information obtained by the firm in the acceptance or continuance of the client relationship or engagement and in complying with certain additional responsibilities under law, regulation or relevant ethical requirements (e.g., regarding an entity's non-compliance with laws and regulations).</u> The quality of all</p>		<p>Information to Be Used as Audit Evidence <i>Relevance and Reliability</i> (Ref: Para. 7)</p> <p>As noted in paragraph A1, while audit evidence is primarily obtained from audit procedures performed during the course of the audit, it may also include information obtained from other sources such as, for example, previous audits, in certain circumstances, a firm's quality control procedures for client acceptance and continuance and<u>through the information obtained by the firm in the acceptance or continuance of the client relationship or engagement and in complying with certain additional responsibilities under law, regulation or relevant ethical requirements (e.g., regarding an entity's non-compliance with laws and regulations).</u> The quality of all audit</p>

¹⁷ Paragraph renumbered due conforming amendments arising from ISA 540 (Revised).

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	audit evidence is affected by the relevance and reliability of the information upon which it is based.		evidence is affected by the relevance and reliability of the information upon which it is based.
ISA 540 (Revised), Auditing Accounting Estimates and Related Disclosures			
ISA 540, paragraph A61	<p>Risk Assessment Procedures and Related Activities</p> <p><i>Specialized Skills or Knowledge</i> (Ref: Para. 15)</p> <p>Matters that may affect the auditor’s determination of whether the engagement team requires specialized skills or knowledge, include, for example:⁵¹</p> <ul style="list-style-type: none"> The nature of the accounting estimates for a particular business or industry (for example, mineral deposits, agricultural assets, complex financial instruments, insurance contract liabilities). <p>...</p> <p>⁵¹ ISA 220 (Revised), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraphs 4423–24 and ISA 300, <i>Planning an Audit of Financial Statements</i>, paragraph 8(e)</p>	B	<p>Risk Assessment Procedures and Related Activities</p> <p><i>Specialized Skills or Knowledge</i> (Ref: Para. 15)</p> <p>Matters that may affect the auditor’s determination of whether the engagement team requires specialized skills or knowledge, include, for example:⁵¹</p> <ul style="list-style-type: none"> The nature of the accounting estimates for a particular business or industry (for example, mineral deposits, agricultural assets, complex financial instruments, insurance contract liabilities). <p>...</p> <p>⁵¹ ISA 220 (Revised), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraphs 4425–2623–24 and ISA 300, <i>Planning an Audit of Financial Statements</i>, paragraph 8(e)</p>
ISA 600, Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)			
ISA 600, paragraph 4	<p>Introduction</p> <p>Scope of this ISA</p> <p>In accordance with ISA 220 (Revised),⁵² the group engagement partner is required to be satisfied that those performing the group audit engagement, including component auditors, collectively have the appropriate competence and capabilities, <u>including sufficient time</u>. The group engagement partner is also responsible for the direction, supervision and</p>	A	<p>Introduction</p> <p>Scope of this ISA</p> <p>In accordance with ISA 220 (Revised),⁵² the group engagement partner is required to determine <u>be satisfied</u> that those performing the group audit engagement, including component auditors, collectively have the appropriate competence and capabilities, <u>including sufficient time</u>. The group engagement partner is also responsible for the direction and, supervision <u>of members of the group engagement team</u> and <u>performance</u></p>

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	<p>performance of the group audit engagement.</p> <p>⁵² ISA 220 (<u>Revised</u>), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraphs 14–15</p>		<p>of the group audit engagementreview of their work.</p> <p>⁵² ISA 220 (<u>Revised</u>), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraphs 14–15<u>25–26</u></p>
ISA 600, paragraph 5	<p>The group engagement partner applies the requirements of ISA 220 (<u>Revised</u>) regardless of whether the group engagement team or a component auditor performs the work on the financial information of a component. This ISA assists the group engagement partner to meet the requirements of ISA 220 (<u>Revised</u>) where component auditors perform work on the financial information of components.</p>		<p>The group engagement partner applies the requirements of ISA 220 (<u>Revised</u>) regardless of whether the group engagement team or a component auditor performs the work on the financial information of a component. This ISA assists the group engagement partner to meet the requirements of ISA 220 (<u>Revised</u>) where component auditors perform work on the financial information of components.</p>
ISA 600, paragraph 12	<p>In applying ISA 220 (<u>Revised</u>), the group engagement partner shall determine whether sufficient appropriate audit evidence can reasonably be expected to be obtained in relation to the consolidation process and the financial information of the components on which to base the group audit opinion. For this purpose, the group engagement team shall obtain an understanding of the group, its components, and their environments that is sufficient to identify components that are likely to be significant components. Where component auditors will perform work on the financial information of such components, the group engagement partner shall evaluate whether the group engagement team will be able to be involved in the work of those component auditors to the extent necessary to obtain sufficient appropriate audit evidence. (Ref: Para. A10–A12)</p>		<p>In applying ISA 220 (<u>Revised</u>), the group engagement partner shall determine whether sufficient appropriate audit evidence can reasonably be expected to be obtained in relation to the consolidation process and the financial information of the components on which to base the group audit opinion. For this purpose, the group engagement team shall obtain an understanding of the group, its components, and their environments that is sufficient to identify components that are likely to be significant components. Where component auditors will perform work on the financial information of such components, the group engagement partner shall evaluate whether the group engagement team will be able to be involved in the work of those component auditors to the extent necessary to obtain sufficient appropriate audit evidence. (Ref: Para. A10–A12)</p>

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ISA 610 (Revised 2013), Using the Work of Internal Auditors			
ISA 610, paragraph 34	<p>Introduction</p> <p>Requirements</p> <p>Using Internal Auditors to Provide Direct Assistance</p> <p>The external auditor shall direct, supervise and review the work performed by internal auditors on the engagement in accordance with ISA 220 (<u>Revised</u>).⁵³ In so doing:</p> <p>(a) The nature, timing and extent of direction, supervision, and review shall recognize that the internal auditors are not independent of the entity and be responsive to the outcome of the evaluation of the factors in paragraph 29 of this ISA; and</p> <p>(b) The review procedures shall include the external auditor checking back to the underlying audit evidence for some of the work performed by the internal auditors.</p> <p>The direction, supervision and review by the external auditor of the work performed by the internal auditors shall be sufficient in order for the external auditor to be satisfied that the internal auditors have obtained sufficient appropriate audit evidence to support the conclusions based on that work. (Ref: Para. A40–A41)</p> <p>⁵³ ISA 220 (<u>Revised</u>), <i>Quality Control/Management for an Audit of Financial Statements</i></p>		<p>Introduction</p> <p>Requirements</p> <p>Using Internal Auditors to Provide Direct Assistance</p> <p>The external auditor shall direct, supervise and review the work performed by internal auditors on the engagement in accordance with ISA 220 (<u>Revised</u>).⁵³ In so doing:</p> <p>(a) The nature, timing and extent of direction, supervision, and review shall recognize that the internal auditors are not independent of the entity and be responsive to the outcome of the evaluation of the factors in paragraph 29 of this ISA; and</p> <p>(b) The review procedures shall include the external auditor checking back to the underlying audit evidence for some of the work performed by the internal auditors.</p> <p>The direction, supervision and review by the external auditor of the work performed by the internal auditors shall be sufficient in order for the external auditor to be satisfied that the internal auditors have obtained sufficient appropriate audit evidence to support the conclusions based on that work. (Ref: Para. A40–A41)</p> <p>⁵³ ISA 220 (<u>Revised</u>), <i>Quality Control/Management for an Audit of Financial Statements</i></p>
ISA 610, paragraph A11	<p>Application and Other Explanatory Material</p> <p>Determining Whether, in Which Areas, and to What Extent the Work of the Internal Audit Function Can Be Used</p> <p><i>Evaluating the Internal Audit Function</i></p>		<p>Application and Other Explanatory Material</p> <p>Determining Whether, in Which Areas, and to What Extent the Work of the Internal Audit Function Can Be Used</p> <p><i>Evaluating the Internal Audit Function</i></p>

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	<p>Application of a Systematic and Disciplined Approach (Ref: Para. 15(c))</p> <p>Factors that may affect the external auditor’s determination of whether the internal audit function applies a systematic and disciplined approach include the following:</p> <ul style="list-style-type: none"> • The existence, adequacy and use of documented internal audit procedures or guidance covering such areas as risk assessments, work programs, documentation and reporting, the nature and extent of which is commensurate with the size and circumstances of an entity. • Whether the internal audit function has appropriate quality control policies and procedures, for example, such as these policies and procedures in ISQC 1⁵⁴ that would be applicable to an internal audit function (such as those relating to leadership, human resources and engagement performance) or quality control requirements in standards set by the relevant professional bodies for internal auditors. Such bodies may also establish other appropriate requirements such as conducting periodic external quality assessments. <p>⁵⁴ International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</p>		<p>Application of a Systematic and Disciplined Approach (Ref: Para. 15(c))</p> <p>Factors that may affect the external auditor’s determination of whether the internal audit function applies a systematic and disciplined approach include the following:</p> <ul style="list-style-type: none"> • The existence, adequacy and use of documented internal audit procedures or guidance covering such areas as risk assessments, work programs, documentation and reporting, the nature and extent of which is commensurate with the size and circumstances of an entity. • Whether the internal audit function has appropriate quality control policies and procedures, for example, such as these policies and procedures in ISQC 1⁵⁴ that would be applicable to an internal audit function (such as those relating to leadership, human resources and engagement performance) or quality control requirements in standards set by the relevant professional bodies for internal auditors. Such bodies may also establish other appropriate requirements such as conducting periodic external quality assessments. <p>⁵⁴ International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
ISA 620, Using the Work of an Auditor's Expert			
ISA 620, paragraph 2 ¹⁸	<p>Introduction</p> <p>Scope of this ISA</p> <p><u>This</u> ISA does not deal with:</p> <p>(a) Situations where the engagement team includes a member, or consults an individual or organization, with expertise in a specialized area of accounting or auditing, which are dealt with in ISA 220 (Revised);⁵⁵ or</p> <p>(b) The auditor's use of the work of an individual or organization possessing expertise in a field other than accounting or auditing, whose work in that field is used by the entity to assist the entity in preparing the financial statements (a management's expert), which is dealt with in ISA 500.⁵⁶</p> <p>⁵⁵ ISA 220 (Revised), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraphs A11, A21–A23A56</p> <p>⁵⁶ ISA 500, <i>Audit Evidence</i>, paragraphs A45–A59A35–A49</p>	B	<p>Introduction</p> <p>Scope of this ISA</p> <p>This ISA does not deal with:</p> <p>(a) Situations where the engagement team includes a member, or consults an individual or organization, with expertise in a specialized area of accounting or auditing, which are dealt with in ISA 220 (Revised);⁵⁵ or</p> <p>(b) The auditor's use of the work of an individual or organization possessing expertise in a field other than accounting or auditing, whose work in that field is used by the entity to assist the entity in preparing the financial statements (a management's expert), which is dealt with in ISA 500.⁵⁶</p> <p>⁵⁵ ISA 220 (Revised), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraphs A11, A21–A23A56A20</p> <p>⁵⁶ ISA 500, <i>Audit Evidence</i>, paragraphs A45–A59</p>
ISA 620, paragraph 8	<p>Requirements</p> <p>Nature, Timing and Extent of Audit Procedures</p> <p>The nature, timing and extent of the auditor's procedures with respect to the requirements in paragraphs 9–13 of this ISA will vary depending on the circumstances. In determining the nature, timing and extent of those procedures, the auditor shall consider matters including: (Ref: Para. A10)</p> <p>(a) The nature of the matter to which that expert's work relates;</p>		<p>Requirements</p> <p>Nature, Timing and Extent of Audit Procedures</p> <p>The nature, timing and extent of the auditor's procedures with respect to the requirements in paragraphs 9–13 of this ISA will vary depending on the circumstances. In determining the nature, timing and extent of those procedures, the auditor shall consider matters including: (Ref: Para. A10)</p> <p>(a) The nature of the matter to which that expert's work relates;</p>

¹⁸ Paragraph renumbering in footnote 56 due conforming amendments arising from ISA 540 (Revised).

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IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p>(b) The risks of material misstatement in the matter to which that expert's work relates;</p> <p>(c) The significance of that expert's work in the context of the audit;</p> <p>(d) The auditor's knowledge of and experience with previous work performed by that expert; and</p> <p>(e) Whether that expert is subject to the auditor's firm's <u>system of quality control policies and procedures</u>management. (Ref: Para. A11–A13)</p>		<p>(b) The risks of material misstatement in the matter to which that expert's work relates;</p> <p>(c) The significance of that expert's work in the context of the audit;</p> <p>(d) The auditor's knowledge of and experience with previous work performed by that expert; and</p> <p>(e) Whether that expert is subject to the auditor's firm's <u>system of quality control policies and procedures</u>management. (Ref: Para. A11–A13)</p>
ISA 620, paragraph A6	<p>Application and Other Explanatory Material</p> <p>Determining the Need for an Auditor's Expert (Ref: Para. 7)</p> <p>If the preparation of the financial statements involves the use of expertise in a field other than accounting, the auditor, who is skilled in accounting and auditing, may not possess the necessary expertise to audit those financial statements. The engagement partner is required to be satisfied that the engagement team, and any auditor's experts who are not part of the engagement team, collectively have the appropriate competence and capabilities, <u>including sufficient time</u>, to perform the audit engagement.⁵⁷ Further, the auditor is required to ascertain the nature, timing and extent of resources necessary to perform the engagement.⁵⁸ The auditor's determination of whether to use the work of an auditor's expert, and if so when and to what extent, assists the auditor in meeting these requirements. As the audit progresses, or as circumstances change, the auditor may need to revise earlier decisions about using the work of an auditor's expert.</p>	B	<p>Application and Other Explanatory Material</p> <p>Determining the Need for an Auditor's Expert (Ref: Para. 7)</p> <p>If the preparation of the financial statements involves the use of expertise in a field other than accounting, the auditor, who is skilled in accounting and auditing, may not possess the necessary expertise to audit those financial statements. The engagement partner is required to be satisfied that the engagement team, and any auditor's experts who are not part of the engagement team, collectively have the appropriate competence and capabilities, <u>including sufficient time</u>, to perform the audit engagement.⁵⁷ Further, the auditor is required to ascertain the nature, timing and extent of resources necessary to perform the engagement.⁵⁸ The auditor's determination of whether to use the work of an auditor's expert, and if so when and to what extent, assists the auditor in meeting these requirements. As the audit progresses, or as circumstances change, the auditor may need to revise earlier decisions about using the work of an auditor's expert.</p> <p>⁵⁷ ISA 220 (Revised), paragraph 14 <u>2425–28</u></p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	⁵⁷ ISA 220 (<u>Revised</u>), paragraph 44 24 ⁵⁸ ISA 300, <i>Planning an Audit of Financial Statements</i> , paragraph 8(e)		⁵⁸ ISA 300, <i>Planning an Audit of Financial Statements</i> , paragraph 8(e)
ISA 620, paragraph A10	<p>Nature, Timing and Extent of Audit Procedures (Ref: Para. 8)</p> <p>The nature, timing and extent of audit procedures with respect to the requirements in paragraphs 9–13 of this ISA will vary depending on the circumstances. For example, the following factors may suggest the need for different or more extensive procedures than would otherwise be the case:</p> <ul style="list-style-type: none"> • The work of the auditor’s expert relates to a significant matter that involves subjective and complex judgments. • The auditor has not previously used the work of the auditor’s expert, and has no prior knowledge of that expert’s competence, capabilities and objectivity. • The auditor’s expert is performing procedures that are integral to the audit, rather than being consulted to provide advice on an individual matter. • The expert is an auditor’s external expert and is not, therefore, subject to the firm’s <u>system of quality control policies and procedures management</u>. 		<p>Nature, Timing and Extent of Audit Procedures (Ref: Para. 8)</p> <p>The nature, timing and extent of audit procedures with respect to the requirements in paragraphs 9–13 of this ISA will vary depending on the circumstances. For example, the following factors may suggest the need for different or more extensive procedures than would otherwise be the case:</p> <ul style="list-style-type: none"> • The work of the auditor’s expert relates to a significant matter that involves subjective and complex judgments. • The auditor has not previously used the work of the auditor’s expert, and has no prior knowledge of that expert’s competence, capabilities and objectivity. • The auditor’s expert is performing procedures that are integral to the audit, rather than being consulted to provide advice on an individual matter. <p>The expert is an auditor’s external expert and is not, therefore, subject to the firm’s <u>system of quality control policies and procedures management</u>.</p>
ISA 620, paragraph A11	<p>The Auditor’s Firm’s <u>System of Quality Control Policies and Procedures Management</u> (Ref: Para. 8(e))</p> <p>An auditor’s internal expert may be a partner or staff, including temporary staff, of the auditor’s firm, and therefore subject to the <u>system of quality control policies and procedures management</u> of that firm in accordance with ISQCM 1⁵⁹ or national requirements that are at least as demanding.⁶⁰ Alternatively, an An auditor’s internal expert may</p>	A	<p>The Auditor’s Firm’s <u>System of Quality Control Policies and Procedures Management</u> (Ref: Para. 8(e))</p> <p>An auditor’s internal expert may be a partner or staff, including temporary staff, of the auditor’s firm, and therefore subject to the <u>system of quality control policies and procedures management</u> of that firm in accordance with ISQCM 1⁵⁹ or national requirements that are at least as demanding.⁶⁰ <u>Alternatively,</u> an auditor’s internal expert may <u>also</u> be a partner or staff,</p>

Proposed Conforming Amendments in ED		Proposed Change from ED	
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	<p>also be a partner or staff, including temporary staff, of a network firm, which may share common quality control management policies and/or procedures with the auditor's firm.</p> <p>⁵⁹ ISQCM 1, <i>Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i>, paragraph 4219(f)</p> <p>⁶⁰ ISA 220 (<i>Revised</i>), paragraph 23</p>		<p>including temporary staff, of a network firm, and subject to the firm's policies or procedures for network requirements and network services in accordance with ISQM 1. In some instances, the auditor's internal expert of a network firm may be subject to which may share common quality control management policies and/or procedures with as the auditor's firm, given that they are part of the same network.</p> <p>⁵⁹ ISQCM 1, <i>Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i>, paragraph 4219(uf)</p> <p>⁶⁰ ISA 220 (<i>Revised</i>), paragraph 23</p>
ISA 620, paragraph A12	<p>An auditor's external expert is not a member of the engagement team and is not subject to quality control policies and procedures in accordance with ISQC 1.⁶⁴ In some jurisdictions, however, the firm's system of quality management in accordance with ISQM 1.⁶² However, ISQM 1 includes requirements for the firm when the firm intends to obtain or use resources provided by a service provider in performing engagements, which includes the use of an external expert.⁶³ Relevant ethical requirements or law or regulation may require that an auditor's external expert be treated as a member of the engagement team, and the external expert may therefore be subject to relevant ethical requirements, including those pertain<u>ing</u> related to independence, and other professional requirements, as determined by that <u>the relevant ethical requirements or law or regulation.</u></p> <p>⁶⁴ ISQC 1, paragraph 12(f)</p> <p>⁶² ISQM 1, paragraph 19(f)</p> <p>⁶³ ISQM 1, paragraphs 64–65</p>	A	<p>ISQM 1 requires the firm to address the use of resources from a service provider, which includes the use of an external expert.^{60A}</p> <p>An auditor's external expert is not a member of the engagement team and is not subject to quality control policies and procedures in accordance with ISQC 1.⁶⁴ In some jurisdictions, however, the firm's policies or procedures under its system of quality management in accordance with ISQM 1 addressing engagement teams or personnel.⁶² However, ISQM 1 includes requirements for the firm when the firm intends to obtain or use resources provided by a service provider in performing engagements, which includes the use of an external expert.⁶³ Furthermore, the firm's policies or procedures for relevant ethical requirements may include policies or procedures that apply to the auditor's external expert.^{63A} In some cases, Rrelevant ethical requirements or law or regulation may require that an auditor's external expert be:</p> <ul style="list-style-type: none"> • Treated as a member of the engagement team (i.e., and the external expert may therefore be subject to relevant

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
			<p>ethical requirements, including those pertainin<u>related</u> to independence); or, and</p> <ul style="list-style-type: none"> • Subject to other professional requirements, as determined by that <u>the relevant ethical requirements or law or regulation.</u> <p>^{60A} ISQM 1, paragraph 38</p> <p>⁶⁴ ISQC 1, paragraph 12(f)</p> <p>⁶² ISQM 1, paragraph 19(f)</p> <p>⁶³ ISQM 1, paragraphs 64–65</p> <p>^{63A} ISQM 1, paragraph 32(b)</p>
ISA 620, paragraph A13	<p>Engagement teams are entitled to rely on the firm’s system of quality control, unless information provided by the firm or other parties suggests otherwise.⁶⁴ The extent of that reliance will vary with the circumstances, and may affect the nature, timing and extent of the auditor’s procedures with respect to such matters as <u>As described in ISA 220 (Revised),</u>⁶⁵ <u>quality management at the engagement level is supported by the firm’s system of quality management and informed by the specific nature and circumstances of the audit engagement.</u> <u>The auditor may be able to depend on the firm’s related policies or procedures in respect of:</u></p> <ul style="list-style-type: none"> • Competence and capabilities, through recruitment and training programs. • Objectivity. Auditor’s internal experts are subject to relevant ethical requirements, including those pertainin<u>relating</u> to independence. • The auditor’s evaluation of the adequacy of the auditor’s expert’s work. For example, the firm’s training programs 	B	<p>Engagement teams are entitled to rely on the firm’s system of quality control, unless information provided by the firm or other parties suggests otherwise.⁶⁴ The extent of that reliance will vary with the circumstances, and may affect the nature, timing and extent of the auditor’s procedures with respect to such matters as <u>As described in ISA 220 (Revised),</u>⁶⁵ <u>quality management at the engagement level is supported by the firm’s system of quality management and informed by the specific nature and circumstances of the audit engagement.</u> <u>The auditor may, for example,</u> be able to depend on the firm’s related policies or procedures in respect of:</p> <ul style="list-style-type: none"> • Competence and capabilities, through recruitment and training programs. • Objectivity. Auditor’s internal experts are subject to relevant ethical requirements, including those pertainin<u>relating</u> to independence. • The auditor’s evaluation of the adequacy of the auditor’s expert’s work. For example, the firm’s training programs

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	<p>may provide auditor’s internal experts with an appropriate understanding of the interrelationship of their expertise with the audit process. Reliance on such training and other firm processes, such as protocols for scoping the work of auditor’s internal experts, may affect the nature, timing and extent of the auditor’s procedures to evaluate the adequacy of the auditor’s expert’s work.</p> <ul style="list-style-type: none"> Adherence to regulatory and legal requirements, through monitoring processes. Agreement with the auditor’s expert. <p>Such reliance Matters that 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 or procedures are described in ISA 220 (Revised). Dependence on the firm’s policies or procedures does not reduce the auditor’s responsibility to meet the requirements of this ISA.</p> <p>⁶⁴ — ISA 220, paragraph 4</p> <p>⁶⁵ — ISA 220 (Revised), paragraph A5</p>		<p>may provide auditor’s internal experts with an appropriate understanding of the interrelationship of their expertise with the audit process. Reliance on such training and other firm processes, such as protocols for scoping the work of auditor’s internal experts, may affect the nature, timing and extent of the auditor’s procedures to evaluate the adequacy of the auditor’s expert’s work.</p> <ul style="list-style-type: none"> Adherence to regulatory and legal requirements, through monitoring processes. Agreement with the auditor’s expert. <p>Such reliance Matters that the auditor may take into account when determining whether to depend on the firm’s policies or procedures are described in ISA 220 (Revised).^{65A} Dependingance on the firm’s policies or procedures does not reduce the auditor’s responsibility to meet the requirements of this ISA.</p> <p>⁶⁴ — ISA 220, paragraph 4</p> <p>⁶⁵ — ISA 220 (Revised), paragraph A5</p> <p>^{65A} — ISA 220 (Revised), paragraphs 4(c) and A11–A12</p>
ISA 620, paragraph A15	<p>The Competence, Capabilities and Objectivity of the Auditor’s Expert (Ref: Para. 9)</p> <p>Information regarding the competence, capabilities and objectivity of an auditor’s expert may come from a variety of sources, such as:</p> <ul style="list-style-type: none"> Personal experience with previous work of that expert. Discussions with that expert. Discussions with other auditors or others who are familiar 		<p>The Competence, Capabilities and Objectivity of the Auditor’s Expert (Ref: Para. 9)</p> <p>Information regarding the competence, capabilities and objectivity of an auditor’s expert may come from a variety of sources, such as:</p> <ul style="list-style-type: none"> Personal experience with previous work of that expert. Discussions with that expert. Discussions with other auditors or others who are familiar

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IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<p>with that expert's work.</p> <ul style="list-style-type: none"> Knowledge of that expert's qualifications, membership of a professional body or industry association, license to practice, or other forms of external recognition. Published papers or books written by that expert. The auditor's firm's <u>system of quality control policies and procedures management</u> (see paragraphs A11–A13). 		<p>with that expert's work.</p> <ul style="list-style-type: none"> Knowledge of that expert's qualifications, membership of a professional body or industry association, license to practice, or other forms of external recognition. Published papers or books written by that expert. The auditor's firm's <u>system of quality control policies and procedures management</u> (see paragraphs A11–A13).
ISA 620, paragraph A18 ¹⁹	<p>A broad range of circumstances may threaten objectivity, for example, self-interest threats, advocacy threats, familiarity threats, self-review threats, and intimidation threats. Safeguards may eliminate or reduce such threats, and may be created by external structures (for example, the auditor's expert's profession, legislation or regulation), or by the auditor's expert's work environment (for example, quality control policies and procedures). Such threats may be addressed by eliminating the circumstances that create the threats, or applying safeguards to reduce threats to an acceptable level. There may also be safeguards specific to the audit engagement.</p>	C	<p>The wording in the "ED" column is the correct current wording for this paragraph. It has been approved for deletion and agreed with IESBA. Therefore, no conforming change is required when the QM standards are published. The conforming changes made to address the changes to the IESBA Code (released by the IAASB April 8, 2020) supersede the proposed changes in the EM (i.e., The QM EM proposed conforming changes to the second sentence of paragraph A18. Those proposed changes have been overridden by the conforming amendments arising from the IESBA Code, which deleted the second sentence entirely.)</p>
ISA 620, paragraph A26	<p>Agreement with the Auditor's Expert (Ref: Para. 11)</p> <p>When there is no written agreement between the auditor and the auditor's expert, evidence of the agreement may be included in, for example:</p> <ul style="list-style-type: none"> Planning memoranda, or related working papers such as the audit program. 	A	<p>Agreement with the Auditor's Expert (Ref: Para. 11)</p> <p>When there is no written agreement between the auditor and the auditor's expert, evidence of the agreement may be included in, for example:</p> <ul style="list-style-type: none"> Planning memoranda, or related working papers such as the audit program.

¹⁹ The wording in the "ED" column reflects changes made as a result of conforming amendments arising from the IESBA Code (released by the IAASB April 8, 2020).

Proposed Conforming Amendments in ED		Proposed Change from ED	
IAASB Standard	Paragraphs in ED ⁹	Category of Change ¹⁰	Draft Final Conforming Changes ¹¹
	<ul style="list-style-type: none"> The policies and/or procedures of the auditor’s firm’s <u>system of quality management</u>. In the case of an auditor’s internal expert, the established policies and procedures<u>requirements</u> to which that expert is subject under the firm’s system of quality management may include, for example, particular policies and/or procedures in relation to that expert’s work. The extent of documentation in the auditor’s working papers depends on the nature of such policies and/or procedures. For example, no documentation may be required in the auditor’s working papers if the auditor’s firm has detailed protocols covering the circumstances in which the work of such an expert is used. 		<ul style="list-style-type: none"> The policies and/or procedures of the auditor’s firm’s <u>system of quality management</u>. In the case of an auditor’s internal expert, the established policies and procedures<u>requirements</u> to which that expert is subject <u>under the firm’s system of quality management</u> may include, for example, particular policies and/or procedures in relation<u>relating</u> to that the expert’s work. The extent of documentation in the auditor’s working papers depends on the nature of such policies and/or procedures. For example, no documentation may be required in the auditor’s working papers if the auditor’s firm has detailed protocols covering the circumstances in which the work of such an expert is used.
ISA 700 (Revised), Forming an Opinion and Reporting on Financial Statements			
ISA 700 (Revised), paragraph A61	<p>Application and Other Explanatory Material</p> <p>Auditor’s Report (Ref: Para. 20)</p> <p><i>Auditor’s Report for Audits Conducted in Accordance with International Standards on Auditing</i></p> <p>Name of the Engagement Partner (Ref: Para. 46)</p> <p>ISQC 4⁶⁶ requires that <u>The objective of the firm establish policies</u> in ISQM 1⁶⁷ is to design, implement and procedures to provide <u>operate a system of quality management that provides the firm with</u> reasonable assurance that engagements are performed:</p> <ul style="list-style-type: none"> <u>The firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and</u> 	B	<p>Application and Other Explanatory Material</p> <p>Auditor’s Report (Ref: Para. 20)</p> <p><i>Auditor’s Report for Audits Conducted in Accordance with International Standards on Auditing</i></p> <p>Name of the Engagement Partner (Ref: Para. 46)</p> <p>ISQC 4⁶⁶ requires that <u>The objective of the firm establish policies</u> in ISQM 1⁶⁷ is to design, implement and procedures to provide <u>operate a system of quality management that provides the firm with</u> reasonable assurance that engagements are performed:</p> <ul style="list-style-type: none"> <u>The firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and</u>

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	<p><u>requirements; and</u></p> <ul style="list-style-type: none"> <u>Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.</u> <p>Notwithstanding these<u>the objective of ISQCM 1 requirements</u>, naming the engagement partner in the auditor’s report is intended to provide further transparency to the users of the auditor’s report on financial statements of a listed entity.</p> <p>⁶⁶ ISQC 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, paragraph 32</p> <p>⁶⁷ ISQM 1, Quality Control for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, paragraph 18</p>		<p><u>requirements; and</u></p> <ul style="list-style-type: none"> <u>Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.</u> <p>Notwithstanding these<u>the objective of ISQCM 1 requirements</u>, naming the engagement partner in the auditor’s report is intended to provide further transparency to the users of the auditor’s report on financial statements of a listed entity.</p> <p>⁶⁶ ISQC 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, paragraph 32</p> <p>⁶⁷ ISQM 1, Quality <u>ManagementControl</u> for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, paragraph 18</p>
ISA 701, Communicating Key Audit Matters in the Independent Auditor’s Report			
ISA 701, paragraph A15	<p>Application and Other Explanatory Material</p> <p>Determining Key Audit Matters (Ref: Para. 9–10) <i>Matters that Required Significant Auditor Attention</i> (Ref: Para. 9) Various ISAs require specific communications with those charged with governance and others that may relate to areas of significant auditor attention. For example:</p> <ul style="list-style-type: none"> ISA 260 (Revised) requires the auditor to communicate significant difficulties, if any, encountered during the audit with those charged with governance.⁶⁸ The ISAs acknowledge potential difficulties in relation to, for example: <ul style="list-style-type: none"> Related party transactions,⁶⁹ in particular limitations on the auditor’s ability to obtain audit evidence that 	B	<p>Application and Other Explanatory Material</p> <p>Determining Key Audit Matters (Ref: Para. 9–10) <i>Matters that Required Significant Auditor Attention</i> (Ref: Para. 9) Various ISAs require specific communications with those charged with governance and others that may relate to areas of significant auditor attention. For example:</p> <ul style="list-style-type: none"> ISA 260 (Revised) requires the auditor to communicate significant difficulties, if any, encountered during the audit with those charged with governance.⁶⁸ The ISAs acknowledge potential difficulties in relation to, for example: <ul style="list-style-type: none"> Related party transactions,⁶⁹ in particular limitations on the auditor’s ability to obtain audit evidence that all other aspects of a related party transaction (other

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	<p>all other aspects of a related party transaction (other than price) are equivalent to those of a similar arm’s length transaction.</p> <ul style="list-style-type: none"> ○ Limitations on the group audit, for example, where the group engagement team’s access to information may have been restricted.⁷⁰ • ISA 220 (Revised) establishes requirements for the engagement partner in relation to undertaking appropriate consultation on <u>matters where the firm’s policies or procedures require consultation, difficult or contentious matters,⁷¹ and other matters that in the engagement partner’s professional judgment, require consultation.</u> For example, the auditor may have consulted with others within the firm or outside the firm on a significant technical matter, which may be an indicator that it is a key audit matter. The engagement partner is also required to discuss, among other things, significant matters arising during the audit engagement with the engagement quality control reviewer.⁷² <p>⁶⁸ ISA 260 (Revised), paragraphs 16(b) and A21</p> <p>⁶⁹ ISA 550, <i>Related Parties</i>, paragraph A42</p> <p>⁷⁰ ISA 600, <i>Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)</i>, paragraph 49(d)</p> <p>⁷¹ ISA 220 (Revised), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraph 4932</p> <p>⁷² ISA 220 (Revised), paragraph 4933</p>		<p>than price) are equivalent to those of a similar arm’s length transaction.</p> <ul style="list-style-type: none"> ○ Limitations on the group audit, for example, where the group engagement team’s access to information may have been restricted.⁷⁰ • ISA 220 (Revised) establishes requirements for the engagement partner in relation to undertaking appropriate consultation on <u>matters where the firm’s policies or procedures require consultation, difficult or contentious matters,⁷¹ and other matters that in the engagement partner’s professional judgment, require consultation.</u> For example, the auditor may have consulted with others within the firm or outside the firm on a significant technical matter, which may be an indicator that it is a key audit matter. The engagement partner is also required to discuss, among other things, significant matters arising during the audit engagement with the engagement quality control reviewer.⁷² <p>⁶⁸ ISA 260 (Revised), paragraphs 16(b) and A21</p> <p>⁶⁹ ISA 550, <i>Related Parties</i>, paragraph A42</p> <p>⁷⁰ ISA 600, <i>Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors)</i>, paragraph 49(d)</p> <p>⁷¹ ISA 220 (Revised), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraph 4932³⁵</p> <p>⁷² ISA 220 (Revised), paragraph 4933³⁶</p>
ISA 701, paragraph A63	The requirement in paragraph 17(b) to communicate with those charged with governance when the auditor has determined there are no key audit matters to communicate in the auditor’s		The requirement in paragraph 17(b) to communicate with those charged with governance when the auditor has determined there are no key audit matters to communicate in the auditor’s report

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	report may provide an opportunity for the auditor to have further discussion with others who are familiar with the audit and the significant matters that may have arisen (including the engagement quality control—reviewer, where one has been appointed). These discussions may cause the auditor to re-evaluate the auditor’s determination that there are no key audit matters.		may provide an opportunity for the auditor to have further discussion with others who are familiar with the audit and the significant matters that may have arisen (including the engagement quality control—reviewer, where one has been appointed). These discussions may cause the auditor to re-evaluate the auditor’s determination that there are no key audit matters.
ISA 720 (Revised), The Auditor’s Responsibilities Relating to Other Information			
ISA 720 (Revised), paragraph A24	<p>Application and Other Explanatory Material</p> <p>Reading and Considering the Other Information (Ref: Para. 14–15)</p> <p>In accordance with ISA 220 (Revised),⁷³ the engagement partner is required to take responsibility for the direction, supervision and performance of the audit engagement<u>nature, timing and extent of direction and supervision of the members of the engagement team and the review of the work performed, and be satisfied that such direction, supervision and review is in compliance with the firm’s policies or procedures, professional standards and applicable legal and regulatory requirements. In the context of this ISA, factors that may be taken into account when determining the appropriate engagement team members to address the requirements of paragraphs 14–15, include:</u></p> <ul style="list-style-type: none"> • The relative experience of engagement team members. • Whether the engagement team members to be assigned the tasks have the relevant knowledge obtained in the audit to identify inconsistencies between the other information and that knowledge. 	B	<p>Application and Other Explanatory Material</p> <p>Reading and Considering the Other Information (Ref: Para. 14–15)</p> <p>In accordance with ISA 220 (Revised),⁷³ the engagement partner is required to take responsibility for the direction, supervision and performance of the audit engagement<u>nature, timing and extent of direction and supervision of the members of the engagement team and the review of the work performed, and be satisfied that such direction, supervision and review is in compliance with the firm’s policies or procedures, professional standards and applicable legal and regulatory requirements. In the context of this ISA, factors that may be taken into account when determining the appropriate engagement team members to address the requirements of paragraphs 14–15, include:</u></p> <ul style="list-style-type: none"> • The relative experience of engagement team members. • Whether the engagement team members to be assigned the tasks have the relevant knowledge obtained in the audit to identify inconsistencies between the other information and that knowledge. • The degree of judgment involved in addressing the

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	<ul style="list-style-type: none"> The degree of judgment involved in addressing the requirements of paragraph 14–15. For example, performing procedures to evaluate the consistency of amounts in the other information that are intended to be the same as amounts in the financial statements may be carried out by less experienced engagement team members. Whether, in the case of a group audit, it is necessary to make inquiries of a component auditor in addressing the other information related to that component. <p>⁷³ ISA 220 (<u>Revised</u>), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraph 45<u>27(a)</u></p>		<p>requirements of paragraph 14–15. For example, performing procedures to evaluate the consistency of amounts in the other information that are intended to be the same as amounts in the financial statements may be carried out by less experienced engagement team members.</p> <ul style="list-style-type: none"> Whether, in the case of a group audit, it is necessary to make inquiries of a component auditor in addressing the other information related to that component. <p>⁷³ ISA 220 (<u>Revised</u>), <i>Quality Control/Management for an Audit of Financial Statements</i>, paragraph 45<u>27(a)</u><u>30(a)</u></p>
IAPN 1000, Special Considerations in Auditing Financial Instruments			
IAPN 1000, Contents Box	<p>Contents</p> <p>International Auditing Practice Note (IAPN) 1000, <i>Special Considerations in Auditing Financial Instruments</i>, should be read in conjunction with the <i>Preface to the International Quality Control/Management, Auditing, Review, Other Assurance, and Related Services Pronouncements</i>. IAPNs do not impose additional requirements on auditors beyond those included in the International Standards on Auditing (ISAs), nor do they change the auditor’s responsibility to comply with all ISAs relevant to the audit. IAPNs provide practical assistance to auditors. They are intended to be disseminated by those responsible for national standards, or used in developing corresponding national material. They also provide material that firms can use in developing their training programs and internal guidance.</p>		<p>Contents</p> <p>International Auditing Practice Note (IAPN) 1000, <i>Special Considerations in Auditing Financial Instruments</i>, should be read in conjunction with the <i>Preface to the International Quality Control/Management, Auditing, Review, Other Assurance, and Related Services Pronouncements</i>. IAPNs do not impose additional requirements on auditors beyond those included in the International Standards on Auditing (ISAs), nor do they change the auditor’s responsibility to comply with all ISAs relevant to the audit. IAPNs provide practical assistance to auditors. They are intended to be disseminated by those responsible for national standards, or used in developing corresponding national material. They also provide material that firms can use in developing their training programs and internal guidance.</p>

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IAPN 1000, paragraph 78 ²⁰	<p>Section II—Audit Considerations Relating to Financial Instruments</p> <p>Planning Considerations⁷⁴</p> <p><i>Using Those with Specialized Skills and Knowledge in the Audit</i>⁷⁵</p> <p>A key consideration in audits involving financial instruments, particularly complex financial instruments, is the competence of the auditor. ISA 220 (<u>Revised</u>)⁷⁶ requires the engagement partner to be satisfied that <u>members of</u> the engagement team, and any auditor’s experts who are not part of the engagement team, collectively have the appropriate competence and capabilities, <u>including sufficient time</u>, to perform the audit engagement in accordance with professional standards and applicable legal and regulatory requirements and to enable an auditor’s report that is appropriate in the circumstances to be issued. Further, relevant ethical requirements⁷⁷ require the auditor to determine whether acceptance of the engagement would create any threats to compliance with the fundamental principles, including the professional competence and due care. Paragraph 79 below provides examples of the types of matters that may be relevant to the auditor’s considerations in the context of financial instruments.</p> <p>⁷⁴ ISA 300, <i>Planning an Audit of Financial Statements</i>, deals with the auditor’s responsibility to plan an audit of financial statements.</p> <p>⁷⁵ When such a person’s expertise is in auditing and accounting, regardless of whether the person is from within or external to the firm, this person is considered to be part of the engagement team and is subject to the</p>	B	<p>Section II—Audit Considerations Relating to Financial Instruments</p> <p>Planning Considerations⁷⁴</p> <p><i>Using Those with Specialized Skills and Knowledge in the Audit</i>⁷⁵</p> <p>A key consideration in audits involving financial instruments, particularly complex financial instruments, is the competence of the auditor. ISA 220 (<u>Revised</u>)⁷⁶ requires the engagement partner to be satisfied that <u>members of</u> the engagement team, and any auditor’s experts who are not part of the engagement team, collectively have the appropriate competence and capabilities, <u>including sufficient time</u>, to perform the audit engagement in accordance with professional standards and applicable legal and regulatory requirements and to enable an auditor’s report that is appropriate in the circumstances to be issued. Further, relevant ethical requirements⁷⁷ require the auditor to determine whether acceptance of the engagement would create any threats to compliance with the fundamental principles, including the professional competence and due care. Paragraph 79 below provides examples of the types of matters that may be relevant to the auditor’s considerations in the context of financial instruments.</p> <p>⁷⁴ ISA 300, <i>Planning an Audit of Financial Statements</i>, deals with the auditor’s responsibility to plan an audit of financial statements.</p> <p>⁷⁵ When such a person’s expertise is in auditing and accounting, regardless of whether the person is from within or external to the firm, this person is considered to be part of the engagement team and is subject to the requirements of ISA 220 (<u>Revised</u>), <i>Quality Control/Management for an Audit of Financial</i></p>

²⁰ The wording in the “ED” column reflects changes made as a result of conforming amendments arising from the IESBA Code (released by the IAASB April 8, 2020).

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	<p>requirements of ISA 220 (<u>Revised</u>), <i>Quality Control/Management for an Audit of Financial Statements</i>. When such a person's expertise is in a field other than accounting or auditing, such person is considered to be an auditor's expert, and the provisions of ISA 620, <i>Using the Work of an Auditor's Expert</i>, apply. ISA 620 explains that distinguishing between specialized areas of accounting or auditing, and expertise in another field, will be a matter of professional judgment, but notes the distinction may be made between expertise in methods of accounting for financial instruments (accounting and auditing expertise) and expertise in complex valuation techniques for financial instruments (expertise in a field other than accounting or auditing).</p> <p>⁷⁶ ISA 220 (<u>Revised</u>), paragraph 4424</p> <p>⁷⁷ International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) paragraphs 320.1-320.10 A1</p>		<p><i>Statements</i>. When such a person's expertise is in a field other than accounting or auditing, such person is considered to be an auditor's expert, and the provisions of ISA 620, <i>Using the Work of an Auditor's Expert</i>, apply. ISA 620 explains that distinguishing between specialized areas of accounting or auditing, and expertise in another field, will be a matter of professional judgment, but notes the distinction may be made between expertise in methods of accounting for financial instruments (accounting and auditing expertise) and expertise in complex valuation techniques for financial instruments (expertise in a field other than accounting or auditing).</p> <p>⁷⁶ ISA 220 (<u>Revised</u>), paragraph 4424²⁶</p> <p>⁷⁷ International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) paragraphs 320.1-320.10 A1</p>