

Meeting: IAASB
Meeting Location: Paris
Meeting Date: March 14-18, 2011

Agenda Item 10

Using the Work of Internal Auditors

Objective of Agenda Item

1. To provide an overview of, and to obtain views on, the significant issues raised by respondents on the Exposure Draft (ED) of proposed revised ISAs 315¹ and 610.²

Task Force

2. Members:
 - Diana Hillier, Chair, IAASB Member
 - Cédric Gélard, IAASB Member
 - Daniel Montgomery, IAASB Member
 - Marek Grabowski, IAASB Technical Advisor
 - Carman Lapointe, Institute of Internal Auditors (IIA) Representative
 - Clyde MacLellan, International Organization of Supreme Audit Institutions (INTOSAI) RepresentativeCorrespondent member:
 - Robert Franchini, International Ethics Standards Board for Accountants (IESBA) Member
3. Technical advisors supporting Task Force members on the project include Jon Rowden (for Ms. Hillier) and Isabelle Tracq-Sengeissen (for Mr. Gélard).

Background

4. In July 2010, the IAASB issued an ED proposing revisions to ISAs 315 and 610. The 120-day comment period ended on November 15, 2010. Comment letters have been received

¹ International Standard on Auditing (ISA) 315, *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Identifying Environment*

² ISA 610, *Using the Work of Internal Auditors*

from 57 respondents. A list of respondents is provided in **Agenda Item 10-A**. All comments letters can be accessed from the IAASB website at <http://www.ifac.org/Guidance/EXD-Details.php?EDID=0141>.

5. The original project plan anticipated that the Task Force would present a full analysis of respondents' comments and propose responses to them at the March 2011 IAASB meeting. However, in light of the responses received, the Task Force decided to engage in further dialogue with CAG and other stakeholders regarding significant issues before proposing a way forward. Thus, the IAASB is scheduled to deliberate respondents' comments in their entirety and to consider Task Force's recommendations at its June 2011 meeting.

Activities since Last IAASB Discussions

6. At its March 2011 meeting, the IAASB Consultative Advisory Group (CAG) will discuss the matters to be considered by the IAASB at this meeting. Significant comments raised by the Representatives of the CAG will be referred to during the Task Force Chair's presentation.

Material Presented

Agenda Item 10-A Using the Work of Internal Auditors – Significant Issues Raised by Respondents on Exposure dated March 2011

Action Requested

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