

## CONFORMING AMENDMENTS TO OTHER ISAs

Note: The following are conforming amendments to other ISAs as a result of ISA 610 (Revised 2013), *Using the Work of Internal Auditors*. These amendments are effective for audits of financial statements for periods ending on or after December 15, 2014. The footnote numbers within these amendments do not align with the ISAs that will be amended, and reference should be made to those ISAs.

### **ISQC 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements***

#### **Definitions**

12. In this ISQC, the following terms have the meanings attributed below:

- (f) Engagement team – All partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes an auditor’s external experts engaged by the firm or by a network firm. The term “engagement team” also excludes individuals within the client’s internal audit function who provide direct assistance on an audit engagement when the external auditor complies with the requirements of ISA 610 (Revised 2013).<sup>1</sup>

### **ISA 220, *Quality Control for an Audit of Financial Statements***

#### **Definitions**

7. For purposes of the ISAs, the following terms have the meanings attributed below:

- (d) Engagement team – All partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform audit procedures on the engagement. This excludes an auditor’s external expert engaged by the firm or by a network firm.<sup>2</sup> The term “engagement team” also excludes individuals within the client’s internal audit function who provide direct assistance on an audit engagement when the external auditor complies with the requirements of ISA 610 (Revised 2013).<sup>3</sup>

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<sup>1</sup> ISA 610 (Revised 2013), *Using the Work of Internal Auditors*, establishes limits on the use of direct assistance. It also acknowledges that the external auditor may be prohibited by law or regulation from obtaining direct assistance from internal auditors. Therefore, the use of direct assistance is restricted to situations where it is permitted.

<sup>2</sup> ISA 620, *Using the Work of an Auditor’s Expert*, paragraph 6(a), defines the term “auditor’s expert.”

<sup>3</sup> ISA 610 (Revised 2013), *Using the Work of Internal Auditors*, establishes limits on the use of direct assistance. It also acknowledges that the external auditor may be prohibited by law or regulation

**ISA 260, *Communication with Those Charged with Governance***

- A14. Other planning matters that it may be appropriate to discuss with those charged with governance include:
- Where the entity has an internal audit function, how the external auditor and internal auditors can work in a constructive and complementary manner, including any planned use of the work of the internal audit function, and the nature and extent of any planned use of internal auditors to provide direct assistance.<sup>4</sup>

**ISA 300, *Planning an Audit of Financial Statements***

**Appendix**

**Characteristics of the Engagement**

...

- Whether the entity has an internal audit function and, if so, whether, in which areas and to what extent, the work of the function can be used, or internal auditors can be used to provide direct assistance, for purposes of the audit.

...

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

**Appendix 5**

**Required and Additional Matters Included in the Group Engagement Team’s Letter of Instruction**

*Matters required by this ISA to be communicated to the component auditor are shown in italicized text.*

Matters that are relevant to the planning of the work of the component auditor:

- *The ethical requirements that are relevant to the group audit and, in particular, the independence requirements, for example, where the group auditor is prohibited by law or regulation from using internal auditors to provide direct assistance, it is relevant for the group auditor to consider whether the prohibition also extends to component auditors and, if so, to address this in the communication to the component auditors.*<sup>5</sup>

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from obtaining direct assistance from internal auditors. Therefore, the use of direct assistance is restricted to situations where it is permitted.

<sup>4</sup> ISA 610 (Revised 2013), paragraphs 20 and 31

<sup>5</sup> ISA 610 (Revised 2013), *Using the Work of Internal Auditors*, paragraph A31