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Description of content of ISSAI 1610

Special Considerations — Using the Work of Internal Auditors

Reading this description is not a substitute for reading the ISA or ISSAI itself.

ISSAI 1610 is comprised of International Standard on Auditing (ISA) 610 – Special Considerations — Using the Work of Internal Auditors, and a corresponding Practice Note. The ISA and the Practice Note are read together.

Authority

Public Sector auditors using the ISAs or ISSAIs as the authoritative standard shall comply with all ISAs or ISSAIs relevant to the audit. An ISA or ISSAI is relevant to the audit when the ISA or ISSAI is in effect and the circumstances addressed by the ISA or ISSAI exist. The auditor shall not represent compliance with ISAs or ISSAIs in the auditor's report unless the auditor has complied with the requirements of all ISAs or ISSAIs relevant to the audit.

Description of the ISA

ISA 610 deals with the external auditor's responsibilities relating to the work of internal auditors when the external auditor has determined, in accordance with ISA 315¹ that the internal audit function is likely to be relevant to the audit.

ISA 610 does not deal with instances when individual internal auditors provide direct assistance to the external auditor in carrying out audit procedures.

Objective of the auditor in terms of the ISA

The objectives of the auditor are:

- a. To obtain sufficient appropriate audit evidence regarding the appropriateness of management's use of the going concern assumption in the preparation of the financial statements;
- b. To conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that

¹ ISA 315, Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment, paragraph 23.

- may cast significant doubt on the entity's ability to continue as a going concern; and
- c. To determine the implications for the auditor's report.

Among other matters, the requirements in this ISA deal with:

- a. Determining whether and to what extent to use the work of the internal auditors (including whether the work of the internal auditors is likely to be adequate for purposes of the audit and, if so, the planned effect of the work of internal auditors on the nature, timing or extent of the external auditor's procedures).
- b. The need to evaluate and perform audit procedures on specific work of the internal auditors in order for the external auditor to use that work,
- c. Documentation requirements in relation to using the work of internal auditors.

Description of the Practice Note

The Practice Notes provides supplementary guidance for auditors applying ISA 610 when conducting financial audits of public sector entities.

Content of the Practice Note

The Practice Note provides additional guidance for public sector auditors related to:

- a. Overall considerations when using the work of internal auditors in relation to additional objectives.
- b. Determining whether and to what extent to use the work of the internal auditors.