



ISSAI Harmonisation Project INTOSAI Professional Standards Committee

Responding SAI or other organisation

Country/org.:		IIA
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ISSAI	Item	Comments and proposed amendments:
100	38	According to paragraph 38: Independence is... This can also be true for the concept of "objectivity". We believe that "independence" also relates to the status of the auditor as well as his/her reporting lines, financial independence from the "executive power" and so on. Independence is therefore not limited to "an attitude of mind and appearance".
100	40	We propose presenting a stronger perspective on using the work of internal auditors by suggesting the use of work by internal auditors rather than stating that their work may be used. Working with or relying on the work of internal auditors that comply with the International Professional Practices Framework issued by the Institute of Internal Auditors can significantly improve the efficiency and effectiveness of the SAI activities.
100	42	We propose to expand upon the discussion of the risk of an incorrect opinion. The wording should not only direct the auditor to reduce or manage this risk, but to reduce or manage this risk to a low enough level which is consistent with the overall risk of the engagement.
100	47	We propose that more detail be added regarding the interaction with internal audit when communicating with stakeholders.
100	51	In higher risk situations the auditor should do more than make enquiries concerning fraud. An additional sentence should be added directing the auditor to perform such additional audit procedures as necessary given the risk of fraud in the engagement and the results of the initial enquiries.
100	55	In alignment with the comment in our cover letter, we propose including another paragraph after the 55th paragraph to emphasize that follow-up procedures need to be carried out.
200	93	We propose to widen the concept "internal control procedures" to include "risk management" and possibly "governance" procedures.
200	98	We propose the inclusion of the "existence of internal audit activity" as part of the elements of the control environment mentioned in the paragraph.
200	140	Evidence may indeed be more reliable when the source is independent but this applies to properly conducted and properly positioned internal audit as well as external sources. A new bullet point should be added stating: - Evidence generated by a properly functioning internal audit activity is more reliable than evidence provided by less independent sources.

