

ISAE 3000—Staff-Prepared Mapping of Extant ISAE 3000 to ISA Objectives

In preparing the following mapping, staff has pasted the objectives of relevant ISAs opposite the requirements of ISAE 3000 to which they best relate. Those requirements have then been “genericized” without mark-up by making the following substitutions:

- auditor → assurance professional
- auditor’s report → assurance professional’s report
- opinion → conclusion
- audit procedure → assurance engagement procedure
- audit work → assurance engagement work
- audit evidence → assurance engagement evidence
- audit documentation → assurance engagement documentation
- audit file → assurance engagement file
- audit risk → assurance engagement risk
- the audit/financial statement audit/audit engagement → the assurance engagement (or similar as appropriate)
- financial reporting framework/standards → criteria
- financial statements → subject matter information
- class of transactions, account balance or disclosure → element of the subject matter information
- management → the responsible party

Changes shown in mark-up format are mostly to remove financial statement audit-specific content, i.e., content that is unlikely to apply to any, or many, other engagements besides financial statement audits.

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IAASB Main Agenda (June 2009)

STAFF ANALYSIS PREPARED FOR ILLUSTRATION ONLY – NOT REVIEWED BY THE TASK FORCE

Black letters from extant ISAE 3000	Adapted objectives from clarified ISAs
	<p>ISA 200 - OVERALL OBJECTIVES OF THE INDEPENDENT AUDITOR AND THE CONDUCT OF AN AUDIT IN ACCORDANCE WITH INTERNATIONAL STANDARDS ON AUDITING</p> <p>11. In conducting an assurance engagement, the assurance professional shall:</p> <p style="padding-left: 20px;">(a) Obtain <u>the desired level of</u> reasonable-assurance (<u>reasonable or limited, as appropriate</u>) about whether the subject matter information as a whole is free from material misstatement, whether due to fraud or error, thereby enabling the assurance professional to express a conclusion on whether the subject matter information is prepared, in all material respects, in accordance with an applicable criteria; and</p> <p style="padding-left: 20px;">(b) Report on the subject matter information, and communicate as required by the ISAEs, in accordance with the assurance professional’s findings.</p> <p>12. In all cases when <u>the desired level of</u> reasonable-assurance cannot be obtained and a qualified conclusion in the assurance professional’s report is insufficient in the circumstances for purposes of reporting to the intended users, of the financial statements, the ISAs require that the assurance professional <u>shall</u> disclaim a conclusion or withdraw (or resign) from the engagement, where withdrawal is possible under applicable law or regulation.</p>
<p>3. The practitioner should comply with this ISAE and other relevant ISAEs when performing an assurance engagement other than an audit or review of historical financial information covered by ISAs or ISREs.</p>	
<p>4. The practitioner should comply with the requirements of Parts A and B of the IFAC Code of Ethics for Professional Accountants (the Code).</p>	
<p>Quality Control</p> <p>6. The practitioner should implement quality control procedures that are applicable to the individual engagement.</p>	<p>ISA 220 - QUALITY CONTROL FOR AN AUDIT OF FINANCIAL STATEMENTS</p> <p>6. The assurance professional shall implement quality control procedures at the engagement level that provide the assurance professional with reasonable assurance</p>

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	<p>that:</p> <ul style="list-style-type: none"> (e) The assurance engagement complies with professional standards and applicable legal and regulatory requirements; and (f) The assurance professional’s report issued is appropriate in the circumstances.
<p>Engagement Acceptance and Continuance</p> <ul style="list-style-type: none"> 7. The practitioner should accept (or continue where applicable) an assurance engagement only if the subject matter is the responsibility of a party other than the intended users or the practitioner. 8. The practitioner should accept (or continue where applicable) an assurance engagement only if, on the basis of a preliminary knowledge of the engagement circumstances, nothing comes to the attention of the practitioner to indicate that the requirements of the Code or of the ISAEs will not be satisfied. 9. The practitioner should accept (or continue where applicable) an assurance engagement only if the practitioner is satisfied that those persons who are to perform the engagement collectively possess the necessary professional competencies. <p>Agreeing on the Terms of the Engagement</p> <ul style="list-style-type: none"> 10. The practitioner should agree on the terms of the engagement with the engaging party. 11. A practitioner should consider the appropriateness of a request, made before the completion of an assurance engagement, to change the engagement to a non-assurance engagement or from a reasonable assurance engagement to a limited assurance engagement, and should not agree to a change without reasonable justification. 	<p>ISA 210 - AGREEING THE TERMS OF AUDIT ENGAGEMENTS</p> <ul style="list-style-type: none"> 3. The assurance professional shall accept or continue an assurance engagement only when the basis upon which it is to be performed has been agreed, through: <ul style="list-style-type: none"> (a) Establishing whether the preconditions for an assurance engagement are present; and (b) Confirming that there is a common understanding between the assurance professional and the responsible party and, where appropriate, those charged with governance of the terms of the assurance engagement.

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<p>Planning and Performing the Engagement</p> <p>12. The practitioner should plan the engagement so that it will be performed effectively.</p> <p>14. The practitioner should plan and perform an engagement with an attitude of professional skepticism recognizing that circumstances may exist that cause the subject matter information to be materially misstated.</p> <p>15. The practitioner should obtain an understanding of the subject matter and other engagement circumstances, sufficient to identify and assess the risks of the subject matter information being materially misstated, and sufficient to design and perform further evidence-gathering procedures.</p>	<p>ISA 300 - PLANNING AN AUDIT OF FINANCIAL STATEMENTS</p> <p>4. The assurance professional shall plan the assurance engagement so that it will be performed in an effective manner.</p>
<p>Assessing the Appropriateness of the Subject Matter</p> <p>18. The practitioner should assess the appropriateness of the subject matter.</p>	<p>(See ISA 210 objective above)</p>
<p>Assessing the Suitability of the Criteria</p> <p>19. The practitioner should assess the suitability of the criteria to evaluate or measure the subject matter.</p>	<p>(See ISA 210 objective above)</p>
<p>Materiality and Assurance Engagement Risk</p> <p>22. The practitioner should consider materiality and assurance engagement risk when planning and performing an assurance engagement.</p>	<p>ISA 315 - IDENTIFYING AND ASSESSING THE RISKS OF MATERIAL MISSTATEMENT THROUGH UNDERSTANDING THE ENTITY AND ITS ENVIRONMENT</p> <p>3. The assurance professional shall identify and assess the assurance engagement risks of material misstatement, whether due to fraud or error, at the subject matter information level and assertion levels, through understanding the entity and its environment; including the entity's internal control; thereby providing a basis for designing and implementing responses to the assessed risks of material misstatement.</p> <p>ISA 320 - MATERIALITY IN PLANNING AND PERFORMING AN AUDIT</p> <p>8. The assurance professional shall apply the concept of materiality appropriately in planning and performing the assurance engagement.</p>
<p>24. The practitioner should reduce assurance engagement risk to an acceptably</p>	<p>ISA 330 - THE AUDITOR'S RESPONSES TO ASSESSED RISKS</p>

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<p>low level in the circumstances of the engagement.</p>	<p>3. The assurance professional shall obtain sufficient appropriate evidence regarding the assessed assurance engagement risks of material misstatement, through designing and implementing appropriate responses to those assurance engagement risks.</p>
	<p>ISA 610 - USING THE WORK OF INTERNAL AUDITORS</p> <p>6. The assurance professional shall, where the entity has an internal audit function that the external assurance professional has determined is likely to be relevant to the assurance engagement,:</p> <p>(a) Determine whether, and to what extent, to use specific work of the internal auditors; and</p> <p>(b) If using the specific work of the internal auditors, determine whether that work is adequate for the purposes of the assurance engagement.</p>
<p>Using the Work of an Expert</p> <p>26. When the work of an expert is used in the collection and evaluation of evidence, the practitioner and the expert should, on a combined basis, possess adequate skill and knowledge regarding the subject matter and the criteria for the practitioner to determine that sufficient appropriate evidence has been obtained.</p> <p>30. The practitioner should be involved in the engagement and understand the work for which an expert is used, to an extent that is sufficient to enable the practitioner to accept responsibility for the conclusion on the subject matter information.</p> <p>32. The practitioner should obtain sufficient appropriate evidence that the expert's work is adequate for the purposes of the assurance engagement.</p>	<p>ISA 620 - USING THE WORK OF AN AUDITOR'S EXPERT</p> <p>5. The assurance professional shall:</p> <p>(a) Determine whether to use the work of an assurance professional's expert; and</p> <p>(b) If using the work of an assurance professional's expert, determine whether that work is adequate for the assurance professional's purposes.</p>
<p>Obtaining Evidence</p> <p>33. The practitioner should obtain sufficient appropriate evidence on which to base the conclusion.</p>	<p>(See ISA 330 objective above)</p> <p>ISA 450 - EVALUATION OF MISSTATEMENTS IDENTIFIED DURING THE AUDIT</p>

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	<p>3. The assurance professional shall evaluate:</p> <ul style="list-style-type: none"> (a) The effect of identified misstatements on the assurance engagement; and (b) The effect of uncorrected misstatements, if any, on the subject matter information. <p>ISA 500 - AUDIT EVIDENCE</p> <p>4. The assurance professional shall design and perform assurance engagement procedures in such a way as to enable the assurance professional to obtain sufficient appropriate assurance engagement evidence to be able to draw reasonable conclusions on which to base the assurance professional’s conclusion.</p> <p>ISA 520 - ANALYTICAL PROCEDURES</p> <p>3. The assurance professional shall:</p> <ul style="list-style-type: none"> (a) Obtain relevant and reliable assurance engagement evidence when using substantive analytical procedures; and (b) Design and perform analytical procedures near the end of the assurance engagement that assist the assurance professional when forming an overall conclusion as to whether the subject matter information is consistent with the assurance professional’s understanding of the entity. <p>ISA 530 - AUDIT SAMPLING</p> <p>4. The assurance professional shall, when using sampling, provide a reasonable basis for the assurance professional to draw conclusions about the population from which the sample is selected.</p>
<p>Representations by the Responsible Party</p> <p>38. The practitioner should obtain representations from the responsible party, as appropriate.</p>	<p>ISA 580 - WRITTEN REPRESENTATIONS</p> <p>6. The assurance professional shall:</p> <ul style="list-style-type: none"> (a) Obtain written representations from the responsible party and, where appropriate, those charged with governance that they believe that they have fulfilled their responsibility for the preparation of the subject matter information and for the completeness of the information provided to the assurance professional;

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	<p>(b) Support other assurance engagement evidence relevant to the subject matter information or specific assertions in the subject matter information by means of written representations if determined necessary by the assurance professional or required by other ISAs; and</p> <p>(c) Respond appropriately to written representations provided by the responsible party and, where appropriate, those charged with governance, or if the responsible party or, where appropriate, those charged with governance do not provide the written representations requested by the assurance professional.</p>
<p>Considering Subsequent Events</p> <p>41. The practitioner should consider the effect on the subject matter information and on the assurance report of events up to the date of the assurance report.</p>	<p>ISA 560 - SUBSEQUENT EVENTS</p> <p>4. The assurance professional shall:</p> <p>(a) Obtain sufficient appropriate assurance engagement evidence about whether events occurring between the date of the subject matter information and the date of the assurance professional’s report that require adjustment of, or disclosure should be reflected in, the subject matter information are appropriately reflected in that subject matter information in accordance with the applicable criteria; and</p> <p>(b) Respond appropriately to facts that become known to the assurance professional after the date of the assurance professional’s report, that, had they been known to the assurance professional at that date, may have caused the assurance professional to amend the assurance professional’s report.</p>
<p>Documentation</p> <p>42. The practitioner should document matters that are significant in providing evidence that supports the assurance report and that the engagement was performed in accordance with ISAEs.</p>	<p>ISA 230 – AUDIT DOCUMENTATION</p> <p>5. The assurance professional shall prepare assurance engagement documentation that provides:</p> <p>(a) A sufficient and appropriate record of the basis for the assurance professional’s report; and</p> <p>(b) Assurance engagement evidence that the assurance engagement was planned and performed in accordance with ISAs and applicable legal and regulatory</p>

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<p>Preparing the Assurance Report</p> <p>45. The practitioner should conclude whether sufficient appropriate evidence has been obtained to support the conclusion expressed in the assurance report.</p> <p>46. The assurance report should be in writing and should contain a clear expression of the practitioner's conclusion about the subject matter information.</p> <p>Assurance Report Content</p> <p>49. The assurance report should include the following basic elements:</p> <p>...</p>	<p>requirements.</p> <p>ISA 700 - FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS</p> <p>6. The assurance professional shall:</p> <p>(a) Form a conclusion(s) on the subject matter information based on an evaluation of the conclusions <u>findings</u> drawn from the assurance engagement evidence obtained; and</p> <p>(b) Express clearly that conclusion(s) through a written report that also describes the basis for that conclusion(s).</p>
<p>Qualified Conclusions, Adverse Conclusions and Disclaimers of Conclusion</p> <p>51. The practitioner should not express an unqualified conclusion when the following circumstances exist and, in the practitioner's judgment, the effect of the matter is or may be material:</p> <ul style="list-style-type: none"> ◦ There is a limitation on the scope of the practitioner's work, that is, circumstances prevent, or the responsible party or the engaging party imposes a restriction that prevents, the practitioner from obtaining evidence required to reduce assurance engagement risk to the appropriate level. The practitioner should express a qualified conclusion or a disclaimer of conclusion; ◦ In those cases where: <ul style="list-style-type: none"> □ The practitioner's conclusion is worded in terms of the responsible party's assertion, and that assertion is not fairly stated, in all material respects; or □ The practitioner's conclusion is worded directly in terms of the subject matter and the criteria, and the subject matter information is materially misstated, the practitioner should express a qualified 	<p>ISA 705 – MODIFICATIONS TO THE OPINION IN THE INDEPENDENT AUDITOR’S REPORT</p> <p>4. The assurance professional shall express clearly an appropriately modified conclusion(s) on the subject matter information that is necessary when:</p> <p>(a) The assurance professional concludes, based on the assurance engagement evidence obtained, that the subject matter information as a whole is not free from material misstatement; or</p> <p>(b) The assurance professional is unable to obtain sufficient appropriate assurance engagement evidence to conclude that the subject matter information as a whole are free from <u>error, deficiency or material misstatement (as applicable)</u>.</p> <p>ISA 706 – EMPHASIS OF MATTER PARAGRAPHS AND OTHER MATTER PARAGRAPHS IN THE INDEPENDENT AUDITOR’S REPORT</p> <p>4. The assurance professional shall, having formed a conclusion on the subject matter information, draw <u>intended</u> users’ attention, when in the assurance professional’s judgment it is necessary to do so, by way of clear additional communication in the assurance professional’s report, to:</p> <p>(a) A matter, although appropriately presented or disclosed in the subject matter</p>

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<p>or adverse conclusion; or</p> <p>(a) When it is discovered, after the engagement has been accepted, that the criteria are unsuitable or the subject matter is not appropriate for an assurance engagement. The practitioner should express:</p> <p>(i) A qualified conclusion or adverse conclusion when the unsuitable criteria or inappropriate subject matter is likely to mislead the intended users; or</p> <p>(ii) A qualified conclusion or a disclaimer of conclusion in other cases.</p> <p>52. The practitioner should express a qualified conclusion when the effect of a matter is not so material or pervasive as to require an adverse conclusion or a disclaimer of conclusion. A qualified conclusion is expressed as being “except for” the effects of the matter to which the qualification relates.</p>	<p>information, that is of such importance that it is fundamental to users’ understanding of the subject matter information; or</p> <p>(b) As appropriate, any other matter that is relevant to users’ understanding of the assurance engagement, the assurance professional’s responsibilities or the assurance professional’s report.</p>
<p>Other Reporting Responsibilities</p> <p>54. The practitioner should consider other reporting responsibilities, including the appropriateness of communicating relevant matters of governance interest arising from the assurance engagement with those charged with governance.</p>	
	<p>ISA 720 - THE AUDITOR’S RESPONSIBILITIES RELATING TO OTHER INFORMATION IN DOCUMENTS CONTAINING AUDITED FINANCIAL STATEMENTS</p> <p>4. The assurance professional shall respond appropriately when documents containing audited <u>the</u> subject matter information and the assurance professional’s report thereon include other information that could undermine the credibility of that subject matter information and the assurance professional’s report.</p>