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United States Government Accountability Office
Washington, DC 20548

May 23, 2012

Jan Munro
International Ethics Standards Board for Accountants
529 5th Avenue, 6th Floor
New York, New York 10017

Subject: Proposed Change to the Definition of “Engagement Team”

This letter provides the U.S. Government Accountability Office’s (GAO) comments on the International Ethics Standards Board for Accountant’s (IESBA) proposed change to the definition of the phrase “engagement team” in the IESBA *Code of Ethics for Professional Accountants* (the Code). The Code establishes ethical requirements for members of the International Federation of Accountants. The IESBA is proposing to amend the Code to avoid any perception that the Code is in conflict with the revised International Standard on Accounting (ISA) 610, *Using the Work of Internal Auditors*.

GAO’s view

We agree with the proposed change to the Code to revise the definition of “engagement team.” We believe that the change is necessary for consistency between the revised ISA 610 and the Code. As we noted in our letter dated November 1, 2010, GAO supports the provision of a framework for determining whether and to what extent the internal audit function can be leveraged by external auditors in assessing audit risk and in obtaining audit evidence. In our view, the proposed change to the Code is necessary to assist auditors in adopting the revised ISA 610.

We thank you for considering our comments on these important issues.

Sincerely yours,

James R. Dalkin
Director
Financial Management and Assurance