



Attachment to Board Meeting Summary Paper

Subject: ASA Redrafting Project – ASA 500 *Audit Evidence*
(Revised and Redrafted)

Prepared by: AUASB Technical Group

Date: 16 January 2009

Issues

The AUASB is requested to consider and resolve the following issues:

Item #	Issues	Approve? Y/N
1	Issue: Is the proposed treatment of each difference, listed in the <i>Tables of Differences</i> , appropriate? Recommendation: Yes, the treatment is appropriate.	

Information

The following matters are brought to the Board's attention for information purposes only:

Item #	Information only Matters	Para. #
1	Requirements and/or Guidance paragraphs in Extant ASA which contained references to Australian ethical body, which have not been retained are listed	NA
2	Paragraphs that contain "management" or "those charged with governance" references, which have been amended	NA
3	Location of the Fundamental Requirement to Obtain Sufficient Appropriate Audit Evidence Extant ISA 500 (and extant ASA 500) contained an overarching Requirement for the auditor to obtain sufficient appropriate audit evidence. Through the Clarity Project, the IAASB considered that this fundamental audit Requirement should be moved from ISA 500 (Redrafted) to ISA 200 (Revised and Redrafted) <i>Overall Objective of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing</i> . Consistent with the AUASB's decision to adopt the new ISA's, this Requirement has been moved from ASA 500 (Revised and Redrafted) to ASA 200 (Revised and Redrafted) para 17.	

Item #	Information only Matters	Para. #
4	<p>New Focus for ASA 500 (Revised and Redrafted)</p> <p>In line with the IAASB's decision to move the Requirement to obtain sufficient appropriate audit evidence [see Item 3 above], ISA 500 (Redrafted), and ASA 500 (Revised and Redrafted), now focus on the auditor's responsibility to design and perform audit procedures that are appropriate in the circumstances to obtain sufficient appropriate audit evidence.</p> <p>[see, in particular, ASA 500 <i>Audit Evidence</i> (Revised and Redrafted) para 6].</p>	
5	<p>Management's Expert</p> <p>Extant ISA 620 <i>Using the Work of an Expert</i> deals with both auditor's experts and management's experts. Through the Clarity project, the IAASB considered it necessary to draw a clearer distinction between the two types of experts and, therefore, ISA 620 (Revised and Redrafted) now deals exclusively with considerations relevant to using the work of an auditor's expert, while ISA 500 (Redrafted) deals with using the work of a management's expert.</p> <p>Consistent with the AUASB's decision to adopt the new ISA's, ASA 620 (Revised and Redrafted) contains material relating to an auditor's expert, while ASA 500 (Revised and Redrafted) contains material relating to a management's expert.</p> <p>[see ASA 500 <i>Audit Evidence</i> (Revised and Redrafted) – it contains a new Requirement (para 8) and new AOEM (para A34-A48) relating to management's expert/s].</p>	

Conforming Amendments

Item #	ASA (Revised & Redrafted)	Proposed Amendment	Approve? Y/N
1	<i>ASA 100 Preamble</i>	<p>None noted at this point.</p> <p>However, a number of generic changes will have to be made to the <i>Preamble</i>, in due course, that will cover all standards including ASA 500.</p>	
2	<i>Assurance Framework</i>	None noted at this point.	
3	<i>Glossary</i>	ASA 500 (Revised and Redrafted) includes definitions at para 5 which will have to be included in the Glossary.	
4	<i>Foreword</i>	<p>None noted at this point.</p> <p>However, a number of generic changes will have to be made to the <i>Foreword</i>, in due course, that will cover all standards including ASA 500 (Revised and Redrafted).</p>	
5	<i>Other</i>	There are no conforming amendments required to other standards as a result of ASA 500 (Revised and Redrafted).	