

**TABLES OF DIFFERENCES
 ASA 500 [Revised and Redrafted]
 AUDIT EVIDENCE**

Extant ASA: ASA 500 *Audit Evidence*

ISA ISA 500 [Redrafted]

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<i>Key Statistics</i>		
Exhibit		No.
1	New Requirements [Elevation of Guidance]	4
1	New Requirements [no previous Equivalent in extant ASA]	0
	Total number of New Requirements	4
2	Extant ASA Requirements covered in another standard[s]	2

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Changes to this Table from the Last Board meeting [NA]

Item #	Para. #	Change Description	ATG Commentary	Accept in ASA Y/N?
ASA 500 (Revised and Redrafted) is presented to the Board for the first time.				
		NA		

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Requirements in ISA not in Extant ASA

- *Exhibit 1 identifies Requirements in the redrafted ISA that are not present in the equivalent extant ASA*
- *Exhibit 1 does not identify Requirements that are identical; or similar but for differences in expression/wording*

Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?	Rule No.
Objective					
1	4	The objective of the auditor is to design and perform audit procedures in such a way as to enable the auditor to obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions on which to base the auditor’s opinion.	New Objective.	Y	A24
Definitions					
2	5	(a) Accounting records – The records of initial accounting entries and supporting records, such as checks and records of electronic fund transfers; invoices; contracts; the general and subsidiary ledgers, journal entries and other adjustments to the financial statements that are not reflected in journal entries; and records such as work sheets and spreadsheets supporting cost allocations, computations, reconciliations and disclosures. (b) Appropriateness (of audit evidence) – The measure of the quality of audit evidence; that is, its relevance and its reliability in providing support for the conclusions on which the auditor’s opinion is based. (c) Audit evidence – Information used by the auditor in arriving at the conclusions on which the	New Definition[s] included.	Y	A26

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Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?	Rule No.
		<p>auditor’s opinion is based. Audit evidence includes both information contained in the accounting records underlying the financial statements and other information.</p> <p>(d) Management’s expert – An individual or organization possessing expertise in a field other than accounting or auditing, whose work in that field is used by the entity to assist the entity in preparing the financial statements.</p> <p>(e) Sufficiency (of audit evidence) – The measure of the quantity of audit evidence. The quantity of the audit evidence needed is affected by the auditor’s assessment of the risks of material misstatement and also by the quality of such audit evidence.</p>			
Sufficient Appropriate Audit Evidence					
3	6	<p>The auditor shall design and perform audit procedures that are appropriate in the circumstances for the purpose of obtaining sufficient appropriate audit evidence. (Ref: Para. A1-A25)</p>	<p>ISA 500 (Redrafted) has been “clarified” through re-focusing, re-wording and re-positioning the Requirements and Guidance previously contained in extant ISA 500 and other ISAs.</p> <p>The Requirement in paragraph 6 focuses on the auditor’s responsibility to design and perform audit procedures to obtain sufficient appropriate audit evidence and creates an appropriate linkage between the 3 ISAs that deal directly with the sufficiency and appropriateness of audit evidence:</p> <p>(a) ISA 200 (Revised and Redrafted), which contains an overarching requirement to obtain sufficient appropriate audit evidence. This overarching requirement was moved from extant ISA 500 to ISA 200 (Revised and Redrafted) para 17), and includes high-level discussion of sufficiency and appropriateness, the nature of audit procedures, the timeliness of financial reporting and the</p>	Y	A1

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Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?	Rule No.
			balance between benefit and cost; (b) ISA 500 (Redrafted), which focuses on designing and performing procedures in such a way as to enable the auditor to obtain sufficient appropriate audit evidence; and (c) ISA 330 (Redrafted), which deals with audit evidence in the context of further audit procedures to respond to assessed risks, and includes a requirement to conclude whether sufficient appropriate audit evidence has been obtained.		
Information to Be Used as Audit Evidence					
4	7	When designing and performing audit procedures, the auditor shall consider the relevance and reliability of the information to be used as audit evidence. (Ref: Para. A26-A33)	Elevation of Explanatory Guidance in ISA 330. Requirement is expressed differently to the Explanatory Guidance in extant ASA 330, but has similar meaning. [Extant ASA 330 para 63—Explanatory Guidance re extent of tests of controls] [Extant ASA 330 para 76—Explanatory Guidance re substantive procedures] [Extant ASA 330 para 96—Explanatory Guidance re evaluating the sufficiency and appropriateness of audit evidence obtained]	Y	A2
5	8	When information to be used as audit evidence has been prepared using the work of a management’s expert, the auditor shall, to the extent necessary, having regard to the significance of that expert’s work for the auditor’s purposes, (Ref: Para. A34-A36) (a) Evaluate the competence, capabilities and objectivity of that expert; (Ref: Para. A37-A43) (b) Obtain an understanding of the work of that expert; and (Ref: Para. A44-A47)	Re-positioned in ISA 500 (Redrafted) from ISA 620. ISA 620 <i>Using the Work of an Expert</i> and the equivalent extant ASA 620 deal 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. Accordingly, material dealing with the work of a management’s expert is presented in ISA 500 (Redrafted)	Y	A1

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Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?	Rule No.
		(c) Evaluate the appropriateness of that expert's work as audit evidence for the relevant assertion. (Ref: Para. A48)	and the equivalent ASA 500 (Revised and Redrafted). ISA 620 (Revised and Redrafted) and the equivalent ASA 620 (Revised and Redrafted) now deal exclusively with considerations relevant to using the work of an auditor's expert.		
6	9	When using information produced by the entity, the auditor shall evaluate whether the information is sufficiently reliable for the auditor's purposes, including as necessary in the circumstances: (a) Obtaining audit evidence about the accuracy and completeness of the information; and (Ref: Para. A49-A50) (b) Evaluating whether the information is sufficiently precise and detailed for the auditor's purposes. (Ref: Para. A51)	Unshaded text – Extant ASA 500 para 14 – equivalent Requirement. Shaded text is an elevation of Explanatory Guidance in extant ASA 500 and makes explicit the Requirement to evaluate reliability of audit evidence in certain circumstances. [Extant ASA 500 para 10-13—Explanatory Guidance] No fundamental change to audit concepts or audit procedures.	Y	A1
Selecting Items for Testing to Obtain Audit Evidence					
7	10	When designing tests of controls and tests of details, the auditor shall determine means of selecting items for testing that are effective in meeting the purpose of the audit procedure. (Ref: Para. A52-A56)	Extant ASA 530 para 25 contained an equivalent Requirement. The Requirement has been moved from extant ASA 530 para 25 to ASA 500 (Revised and Redrafted).	Y	A1
Inconsistency in, or Doubts over Reliability of, Audit Evidence					
8	11	If: (a) audit evidence obtained from one source is inconsistent with that obtained from another; or (b) the auditor has doubts over the reliability of information to be used as audit evidence,	Elevation of equivalent Explanatory Guidance [Extant ASA 500 para 16]	Y	A2

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Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?	Rule No.
		the auditor shall determine what modifications or additions to audit procedures are necessary to resolve the matter, and shall consider the effect of the matter, if any, on other aspects of the audit. (Ref: Para. A57)			

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Requirements in Extant ASA not in ISA

- *Exhibit 2 identifies Requirements in the extant ASA that are not present in the equivalent redrafted ISA*
- *Exhibit 2 does not identify Requirements that are identical; or similar but for differences in expression [wording]*

Item #	Extant ASA Para. #	Extant ASA Requirement	Commentary	Accept in ASA Y/N?	Rule No.
Not Retained in ASA [Revised & Redrafted]					
Introduction					
1	5	The auditor shall obtain sufficient appropriate audit evidence to be able to draw reasonable conclusions on which to base the auditor’s opinion.	Extant ASA Requirement covered in another Standard. [ISA 200 para 17—contains equivalent Requirement].	N	A5
2	20	The auditor shall use assertions for classes of transactions, account balances, and presentation and disclosures in sufficient detail to form a basis for the assessment of risks of material misstatement and the design and performance of further audit procedures.	Extant ASA Requirement covered in another Standard. [ISA 315 para 25—contains equivalent Requirement]. [ISA 315 para A102—contains equivalent AOEM].	N	A5
Retained in ASA [Revised & Redrafted]					
Reason 1: [Only when requirement necessary for Australian legislation or regulation reasons]					
<Insert Standard section heading here>					
		NA			

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Item #	Extant ASA Para. #	Extant ASA Requirement	Commentary	Accept in ASA Y/N?	Rule No.
Retained in ASA [Revised & Redrafted] Reason 2: [Only when requirement necessary for legislative instrument reasons]					
<Insert Standard section heading here>					
		NA			
Retained in ASA [Revised & Redrafted] Reason 3: [Only when requirement necessary for public interest reasons and no inconsistency with the ISA]					
<Insert Standard section heading here>					
		NA			

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Significant Differences in Guidance — ISA and Extant ASA

- *Exhibit 3 identifies significant differences between the Application and Other Explanatory Material (guidance) in the redrafted ISA and the Explanatory Guidance in the equivalent extant ASA. These differences are exceptional in nature.*
- *Exhibit 3 does not identify guidance that is identical; or similar but for differences in expression/wording*

Item #	ISA/ASA Para. #	Guidance	Commentary	Accept in ASA Y/N?	Rule No.
PART A – ISA/Extant ASA					
Reliability of Information Produced by a Management’s Expert (Ref: Para. 8)					
3	ISA 500 para A34-A48	<p>A34. The preparation of an entity’s financial report may require expertise in a field other than accounting or auditing ...</p> <p>A35. When information to be used as audit evidence has been prepared using the work of a management’s expert ...</p> <p>A36. The nature, timing and extent of audit procedures in relation to the requirement in paragraph 8 of this ASA, may be affected by such matters as: ...</p> <p>The Competence, Capabilities and Objectivity of a Management’s Expert (Ref: Para. 8(a))</p> <p>A37. Competence relates to the nature and level of expertise of the management’s expert ...</p> <p>A38. Information regarding the competence, capabilities and objectivity of a</p>	<p>Expansion of the Application and Other Explanatory Material not included in the extant ASA.</p> <p>Adopted in ASA 500 (Revised & Redrafted) [para A34-A48].</p> <p>Guidance is anchored to a new ASA Requirement [ASA 500 para 8].</p> <p>This guidance does not conflict with Australian practice.</p>	Y	A11

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Item #	ISA/ASA Para. #	Guidance	Commentary	Accept in ASA Y/N?	Rule No.
		<p>management's expert may come from a variety of sources, such as ...</p> <p>A39. Matters relevant to evaluating the competence, capabilities and objectivity of a management's expert include ...</p> <p>A40. Other matters that may be relevant include: ...</p> <p>A41. A broad range of circumstances threaten objectivity ...</p> <p>A42. Although safeguards cannot eliminate all threats to a management's expert's objectivity, threats such as ...</p> <p>A43. When evaluating the objectivity of an expert engaged by the entity, it may be relevant to discuss ...</p> <p>Obtaining an Understanding of the Work of the Management's Expert (Ref: Para. 8(b))</p> <p>A44. An understanding of the work of the management's expert includes an understanding of the relevant field ...</p> <p>A45. Aspects of the management's expert's field ...</p> <p>A46. In the case of a management's expert engaged by the entity, there will ordinarily be ...</p> <p>A47. In the case of a management's expert employed by the entity, it is less likely there</p>			

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Item #	ISA/ASA Para. #	Guidance	Commentary	Accept in ASA Y/N?	Rule No.
		<p>will be ...</p> <p>Evaluating the Appropriateness of the Management's Expert's Work (Ref: Para. 8(c))</p> <p>A48. Considerations when evaluating the appropriateness of the management's expert's work as audit evidence for the relevant assertion ...</p>			

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Item #	ISA/ASA Para. #	Guidance	Commentary	Accept in ASA Y/N?	Rule No.
PART B – ASA					
Retained in ASA [Revised & Redrafted] Reason 1: [Only when requirement necessary for Australian legislation or regulation reasons]					
<Insert Standard section heading here>					
		NA			
Retained in ASA [Revised & Redrafted] Reason 2: [Only when requirement necessary for legislative instrument reasons]					
<Insert Standard section heading here>					
		NA			
Retained in ASA [Revised & Redrafted] Reason 3: [Only when Requirement is deemed necessary for public interest reasons and is not inconsistent with the ISA]					
<Insert Standard section heading here>					
		NA			

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Significant Differences in Appendices — ISA and Extant ASA

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- *Exhibit 4 does not identify Appendices that are identical; or similar but for differences in expression/wording*

Item #	ISA/ASA Para. #	Appendix	Commentary	Accept in ASA? Y/N	Rule No.
Part A – ISA					
<Insert Standard section heading here>					
		NA			
Part B – ASA					
<Insert Standard section heading here>					
		NA			

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