



Board Meeting Summary Paper

Subject: Proposed ED ASA 500 *Audit Evidence*
Date: 15 January 2009

AUASB
AGENDA
ITEM NO.

12(g)

**Meeting Date:
23-24 February**

2009

Action Required

For Information Purposes Only

Agenda Item Objectives

To review proposed Auditing Standard ASA 500 *Audit Evidence* (Revised and Redrafted) for final approval to issue as an exposure draft.

Background

ASA 500 (Revised and Redrafted) is presented to the Board for the first time.

ISA 500 (Redrafted) is the underlying standard. The ISA was “Redrafted” and not revised under the IAASB Clarity project.

ASA 500 (Revised and Redrafted) includes standardised changes in accordance with the AUASB Drafting Rules.

No other changes are proposed. Changes are shown as mark-ups (Agenda Item 12(g).3).

Matters to Consider

ASA 500 (Revised and Redrafted) has been “clarified” through a re-focusing, re-wording and re-positioning of the Requirements and Explanatory Guidance in extant ASA 500 and other ASAs. The main changes include:

- (a) The fundamental audit requirement to **obtain sufficient appropriate audit evidence** has been moved from ASA 500 to ASA 200 (Revised and Redrafted) *Overall Objective of the Independent Auditor, and the Conduct of an Audit in Accordance with Australian Auditing Standards*;

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- (b) ASA 500 (Revised and Redrafted) now focuses on the auditor's responsibility to **design and perform audit procedures** that are appropriate in the circumstances to obtain sufficient appropriate audit evidence; and
- (c) ASA 500 (Revised and Redrafted) contains a Requirement (paragraph 8) and AOEM (paragraphs A34-A48) relating to management's expert/s, which was previously located in extant ASA 620 *Using the Work of an Expert*.

These changes are detailed in the attachment to this Board Meeting Summary Paper (Agenda Item 12(g).1).

The Board is requested to consider the Tables of Differences (Agenda Item 12(g).3) and approve the proposed treatment of each difference.

Extant ASA 500 (Revised and Redrafted) and ISA 500 (Redrafted) are included, in electronic form only, for the Board's information.

Staff Recommendations

ATG recommends proposed ASA 500 (Revised and Redrafted) be approved for issue as an ED.

Material Presented

- Agenda Item 12(g) Board Meeting Summary Paper
- Agenda Item 12(g).1 Attachment to Board Meeting Summary Paper
- Agenda Item 12(g).2 Proposed Exposure Draft (Marked Up Version)
- Agenda Item 12(g).3 Tables of Differences
- Agenda Item 12(g).4 Proposed Exposure Draft (Clean Version) [electronic copy only]
- Agenda Item 12(g).5 Extant ASA 500 *Audit Evidence* [electronic copy only]
- Agenda Item 12(g).6 ISA 500 (Redrafted) *Audit Evidence* [electronic copy only]

Action Required

No.	Action Item	Deliverable	Responsibility	Due Date	Status
1	Approve the proposed standard for exposure	Board approval	AUASB	23-24 February 2009	O/S

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