

TABLES OF DIFFERENCES

ASA 520 [Revised and Redrafted]

ANALYTICAL PROCEDURES

Extant ASA: *ASA 520 Analytical Procedures*
ISA: *ISA 520 [Redrafted] Analytical Procedures*

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

This document contains preliminary views and/or staff recommendations to be considered at a meeting of the AUASB, and does not necessarily reflect the final decisions of the AUASB. No responsibility is taken for the results of actions or omissions to act on the basis of reliance on any information contained in this document (including any attachments), or for any errors or omissions in it.

Changes to this Table from the Last Board meeting

Item #	Para. #	Change Description	ATG Commentary	Accept in ASA Y/N?
Exhibit X				
		First time consideration at June 09 meeting.		

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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?
Objectives				
1	3	The objectives of the auditor are: (a) To obtain relevant and reliable audit evidence when using substantive analytical procedures; and (b) To design and perform analytical procedures near the end of the audit that assist the auditor when forming an overall conclusion as to whether the financial statements are consistent with the auditor’s understanding of the entity.	New Objectives However, consistent with extant standard.	Y
Definitions				
2	4	For the purposes of the ISAs, the term “analytical procedures” means evaluations of financial information through analysis of plausible relationships among both financial and non-financial data. Analytical procedures also encompass such investigation as is necessary of identified fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount.	Definition very similar to that included in the extant standard ASA 520 para 7	Y
Substantive Analytical Procedures				
3	5	When designing and performing substantive analytical procedures, either alone or in combination with tests of details, as substantive procedures in accordance with ISA 330, ⁴ the auditor shall: (Ref: Para. A4-A5) (a) Determine the suitability of particular substantive analytical procedures for given assertions, taking account of the assessed risks of material misstatement and tests of details, if any, for these assertions; (Ref: Para. A6-A11)	Elevation of extant ASA Explanatory Guidance [Extant ASA 520 para 17 — equivalent Explanatory Guidance]	Y

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Item #	ISA Para. #	ISA Requirements	Commentary	Accept in ASA Y/N?
		<p>(b) Evaluate the reliability of data from which the auditor’s expectation of recorded amounts or ratios is developed, taking account of source, comparability, and nature and relevance of information available, and controls over preparation; (Ref: Para. A12-A14)</p> <p>(c) Develop an expectation of recorded amounts or ratios and evaluate whether the expectation is sufficiently precise to identify a misstatement that, individually or when aggregated with other misstatements, may cause the financial statements to be materially misstated; and (Ref: Para. A15)</p> <p>(d) Determine the amount of any difference of recorded amounts from expected values that is acceptable without further investigation as required by paragraph 7.</p> <p>Footnote : 4. ISA 330, paragraph 18</p>		

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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?
Not Retained in ASA [Revised & Redrafted]				
Introduction				
1	5	The auditor shall apply analytical procedures as risk assessment procedures to obtain an understanding of the entity and its environment and in the overall review at the end of the audit.	Unshaded text: Requirement now included in ISA 315 para 6(b). Shaded text (retained): covered by paragraph 6 in the revised standard	Y (in ISA/ASA 315) Y
Analytical Procedures as Risk Assessment Procedures				
2	12	The auditor shall apply analytical procedures as risk assessment procedures to obtain an understanding of the entity and its environment.	Requirement now included in ISA 315 para 6(b).	Y (in ISA/ASA 315)

Retained in ASA [Revised & Redrafted]			
Reason 1: [Only when requirement necessary for Australian legislation or regulation reasons]			
<Insert Standard section heading here>			
		N/A	
Retained in ASA [Revised & Redrafted]			
Reason 2: [Only when requirement necessary for legislative instrument reasons]			
<Insert Standard section heading here>			
		N/A	
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>			
		N/A	

Draft

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?
PART A – ISA				
<Insert Standard section heading here>				
		N/A		

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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>				
		N/A		
Retained in ASA [Revised & Redrafted] Reason 2: [Only when requirement necessary for legislative instrument reasons]				
<Insert Standard section heading here>				
		N/A		
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>				
		N/A		

Significant Differences in Appendices — ISA and Extant ASA

- *Exhibit 4 identifies significant differences between the Appendices in the redrafted ISA and the Appendices in the equivalent extant ASA. These differences are exceptional in nature.*
- *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
Part A – ISA				
<Insert Standard section heading here>				
		N/A		
Part B – ASA				
<Insert Standard section heading here>				
		N/A		
