



AUASB Board Meeting Summary Paper

AGENDA ITEM NO. **2.3.0**

Meeting Date: 12-13 June 2019

Subject: Audit Evidence

Date Prepared: 4 June 2019

Prepared By: Tim Austin

Action Required

For Information Purposes Only

IAASB Project Objective	AUASB Subject Matter Experts
<p>1. The objective of this project is to inform the newly formed Audit Evidence Working Group (AEWG) through exploring issues related to audit evidence and identifying the key issues to be addressed by the AEWG. This project is in the information gathering stage and may result in standard-setting activities.</p>	<p>Tim/TBD</p>
<p>AUASB Key Points</p>	
<p>Background</p>	
<p>2. At the March 2019 IAASB Meeting, the Audit Evidence Working Group (AEWG) presented to the IAASB an update on the AICPA’s audit evidence project including a walkthrough of the proposed requirements and the key issues identified during the project. The paper prepared by the AEWG outlined the issues the AEWG will consider as part of their project.</p> <p>3. The issues presented were discussed by the IAASB in a breakout session where feedback from IAASB Members included that the AEWG need to:</p> <ul style="list-style-type: none"> (a) further understand the issues raised and the activities needs to be exploratory at this stage; (b) prioritise the issues and consider the most appropriate response to priority issues; (c) keep a broader perspective and understand that issues do not just impact ISA 500. 	
<p>June 2019 IAASB Paper</p>	
<p>4. The June 2019 IAASB Audit Evidence paper, based on the feedback from the March 2019 IAASB Meeting, provides an itemisation of issues related to ISA 500 and other standards and possible responses to each (Appendix 2 and Appendix 3 of the IAASB Paper).</p> <p>5. The AEWG are of the view that the information and evidence gathering activities already undertaken by the IAASB are sufficient to inform the project and are asking for the IAASB to finalise the list of issues to be considered by the AEWG. Feedback from this meeting will be used to develop the scope of the audit evidence project.</p> <p>6. The AUASB Technical Group has provided Appendix 2 and Appendix 3 of the IAASB Paper as</p>	

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Agenda Item 2.3.1 for the AUASB to review. The ATG requests AUASB Members to review the issues in the context of **Questions 1-3** below.

7. The ATG over the last 12 months has collected feedback from Australian stakeholders regarding their challenges with the ISAs and technology. The ATG, to support the AUASB Chair's role as an IAASB Member, will prepare a complete list of all the technology challenges raised by Australian stakeholders which can be linked to audit evidence. As the ATG feedback collection has largely focussed on technology, there may be audit evidence issues that AUASB Members are aware of which are not technology specific which should be raised with the AEWG.
8. In addition to a review of the challenges, the ATG will also consider whether the AEWG recommended responses to each challenge are appropriate for the Australian environment.

IAASB timeline and impact on AUASB activities/Next steps

9. At this stage of the project the AEWG is recommending to the IAASB that the focus of the standard-setting efforts should focus on ISA 500 and necessary conforming amendments. The AEWG has prepared the below proposed timeline for amendments to ISA 500.

September 2019	Approval of project proposal
March 2020	Exploration of issues
June 2020	Exploration of issues and working draft
September 2020	First read of proposed ISA 500 (revised)
December 2020	Second read of proposed ISA 500 (revised)
March 2021	Approval of ED of ISA 500 (revised)

Questions

1. Do AUASB Members have any issues related to audit evidence which have not been identified in **Agenda Item 2.3.1**?
2. Are AUASB Members supportive of the approach to initially focus on ISA 500 and necessary conforming amendments (refer to paragraph 9)?
3. Does the AUASB have any other feedback which should be taken into account by the AEWG when developing the Project Plan?

Material Presented

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| Agenda Paper 2.3.0 | BMSP – IAASB Audit Evidence |
| Agenda Paper 2.3.1 | IAASB Audit Evidence Appendix Extract |

Action Required

No.	Action Item	Responsibility	Due Date
1.	AUASB Members to review the appendix extract provided to assess the completeness of the issues.	AUASB	12 June 2019

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