



AUASB ATTACHMENT

Title	Audit Evidence	Date:	8 March 2022
Strategic Objective:	International Influence	Agenda Item:	6.1
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Objective

- 1 The AUASB Technical Group (ATG) have extracted paragraphs 9 and 10 from proposed ISA 500 *Audit Evidence* (refer below) to facilitate the discussion at the AUASB Meeting around *information intended to be used as audit evidence* (paragraphs 11-16 of Agenda Item 6.0).
- 2 The ATG have updated Question 2 from Agenda Item 6.0 to specifically address paragraph 10.

Question 2

- a) Do AUASB Members support the combining of paragraphs 7 and 9 from the current ASA 500 into a single requirement?
- b) Should paragraph 10 of proposed ISA 500 also be combined into paragraph 9?

Proposed ISA 500 paragraph 9

The auditor shall evaluate whether the information intended to be used as audit evidence is relevant and reliable for the auditor's purposes. In making this evaluation, the auditor shall consider: (Ref. Para. A29–A40 and A57–A61)

- (a) The source of the information; and (Ref. Para. A41–A46)
- (b) The attributes of relevance and reliability that are applicable in the circumstances, including, as necessary, accuracy and completeness. (Ref. Para. A47–A56)

Proposed ISA 500 paragraph 10

Information Intended to be Used as Audit Evidence Prepared by a Management's Expert

In evaluating information intended to be used as audit evidence in accordance with paragraph 9, when information has been prepared by a management's expert, the auditor shall: (Ref: Para. A62–A64)

- (a) Evaluate the competence, capabilities and objectivity of that expert; (Ref. Para. A65–A69)
- (b) Obtain an understanding of the work performed by that expert; and (Ref. Para. A70–A71)
- (c) Obtain an understanding about how the information prepared by that expert has been used by management in the preparation of the financial statements, including: (Ref: Para. A72–A74)
 - (i) How management has considered the appropriateness of the information prepared by that expert; and
 - (ii) Modifications made by management to the information prepared by that expert, and the reasons for such modifications.