

Audit Evidence

Sue Almond

Audit Evidence Task Force (AETF) Chair

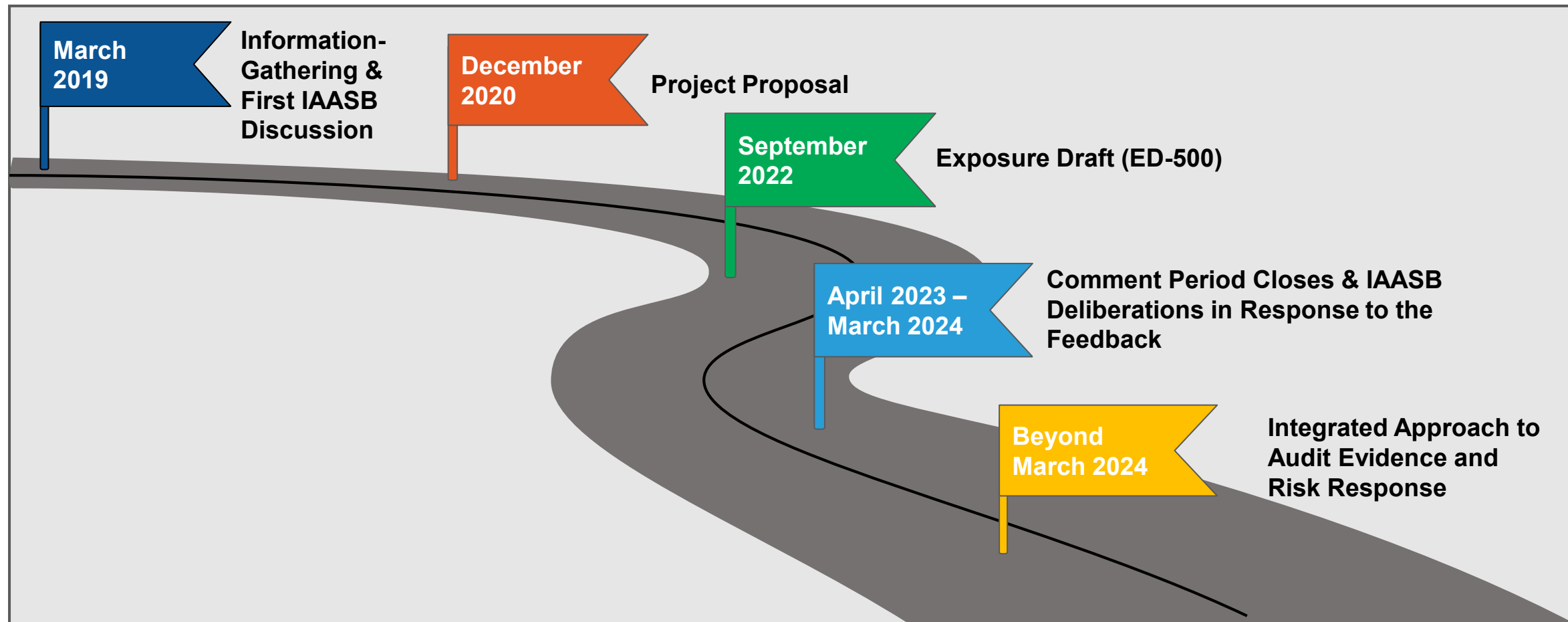
IAASB Meeting

March 18 – 21, 2024

Audit Evidence Task Force and Staff



Key Milestones



Promoting Consistent Practice and Changing Auditor Behavior

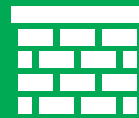
Principle-Based Reference Framework When Making Judgments About Audit Evidence from Any Audit Procedure Conducted Throughout the Audit



Enhanced professional judgement and professional skepticism when obtaining and evaluating audit Evidence



Active consideration of all the information intended to be used as audit evidence regardless of whether corroborative or contradictory



Evaluation of information, irrespective of the source, and by focusing on attributes of relevance and reliability that are significant in the circumstances



Recognizing the evolution in technology by clarifying how the principles-based framework applies when using automated tools and techniques to obtain and evaluate audit evidence



Focus on the purpose(s) of the audit procedures when evaluating whether sufficient appropriate audit evidence has been obtained

Improved Consistency in the Auditor's Work Effort and for Documentation

Key Changes in Response to the Feedback

Definition of Audit Evidence

- Moved to the application material the clarification that audit procedures include evaluating relevance and reliability of information

Threshold for the Attributes of Relevance and Reliability

- Adopted a spectrum approach for the threshold that:
 - Emphasizes the need to consider all of the attributes
 - Focus the auditor to those that are of most significance to meet the intended purpose(s) of the audit procedures
 - Allows for scalability for the work effort

Key Changes in Response to the Feedback

Accuracy and Completeness

- Retained the essential material to emphasize that accuracy and completeness are ordinarily significant attributes to meet the intended purpose(s) of the audit procedures for information from internal sources

Objectives & “Stand-Back” Requirement

- Proposals to remove the:
 - “Stand-back” requirement and related application material
 - Objective 6(b) – to evaluate the audit evidence obtained

Other Changes in Response to the Feedback

Other Matters

- Enhanced linkages with the IESBA Code provisions for role and mindset
- Streamlining the application material
- Enhanced application material about phrase “Intended Purpose(s) of the Audit Procedures”

Matter for IAASB Consideration



Question 1

The Board is asked for its views on the proposals of the AETF in responding to the feedback to ED-500, to update proposed ISA 500 (Revised) as presented in **Agenda Item 5-A** and the matters discussed in **Section I** above, including with respect to the threshold for the attributes of relevance and reliability of information, and with respect to accuracy and completeness.

Updates to the Conforming and Consequential Amendments

Agenda Item 5-B

- Updates to reflect the revised text for the drafting of proposed ISA 500 (Revised)
- Enhancing the coherence with other ISAs (e.g., recognizing remote observation techniques for physical inventory counting)
- Proposal not to pursue amendments for fraud and going concern at this time

Matter for IAASB Consideration



Question 2

The Board is asked for its views on the proposals of the AETF in responding to the feedback to ED-500, to update the proposed conforming and consequential amendments to other ISAs as presented in **Agenda Item 5-B**, including with respect to the matters discussed in **Section II** above.

Way Forward

- Stakeholder engagement on certain changes that have been proposed
- Input to:
 - Information-gathering of the risk response workstream
 - Project proposal for the integrated project



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