

Agenda Item 11–C (Supplemental)

Targeted Standards in the ISA 500 Series¹ – Academic Research Review

This Agenda Item provides an overview of the scope of the academic research review undertaken to inform a project to revise the targeted standards in the ISA 500 Series.

Scope of the Academic Research Review

1. The compilation of an initial list of research was outsourced to a team of researchers from the Postgraduate Department of the University of the Witwatersrand (i.e. Wits researchers), supervised by Professor Warren Maroun (IAASB Member 2022–2024) from the Wits Margo Steele School of Accountancy of the University of the Witwatersrand. This initial list was compiled by searching the Scopus Database for academic studies which, either in their abstract or in their title, included key words on a range of topics relevant to the targeted standards in the ISA 500 Series.
2. Staff further refined this initial list by ranking the studies based on their relevance to the ISA 500 Series standards. For example, academic studies included in the initial list which predated the effective dates of ISA 501, ISA 505 and ISA 530 were excluded on the basis of being dated.

List of Academic Research Reviewed

3. The table below includes a register of relevant academic research papers that were further reviewed by Staff to inform a project to revise the targeted standards in the ISA 500 Series.

No	Title, Author(s) and Year
Inventory	
1.	<i>Intelligent Process Automation in Audit</i> , Zhang C., 2019
2.	<i>The New Nuts and Bolts of Auditing: Technological Innovation in Inventorying Inventory</i> , Gross A.; Hoelscher J.; Reed B.J.; Sierra G.E., 2020
3.	<i>Digital Inventory Audits: An Alternative Approach to Physical Observation in Audit Evidence Gathering</i> , Fotoh L.E., 2024
4.	<i>Using Virtual Worlds to Simulate Real-World Audit Procedures</i> , Buckless F.A.; Krawczyk K.; Scott Showalter D., 2014
5.	<i>Conducting a Physical Inventory of McIntyre Organics: Bringing Real-Life Experiences to the Classroom</i> , Ozlanski M.E.; Seymoure S., 2021

¹ The targeted standards in the ISA 500 Series include: the specific considerations for inventory in the International Standard on Auditing (ISA) 501, *Audit Evidence—Specific Considerations for Selected Items*, ISA 505, *External Confirmations* and ISA 530 *Audit Sampling*.

No	Title, Author(s) and Year
6.	<i>Prepare for Takeoff: Improving Asset Measurement and Audit Quality with Drone-Enabled Inventory Audit Procedures</i> , Christ M.H.; Emmett S.A.; Summers S.L.; Wood D.A., 2016
7.	<i>Using Drones in Internal and External Audits: An Exploratory Framework</i> , Appelbaum D.; Nehmer R.A., 2017
8.	<i>J&K Fitness Supply Company: Auditing Inventory</i> , Clikeman P.M., 2011
External Confirmations	
1.	<i>Enforcement Release Evidence on the Audit Confirmation Process: Implications for Standard Setters</i> , Janvrin D.; Caster P.; Elder R., 2010
2.	<i>Effective Methods for Detecting Fraudulent Financial Reporting: Practical Insights from Big 4 Auditors</i> , Kassem R.; Omoteso K., 2023
3.	<i>Simply Soups Inc.: A Teaching Case Designed to Integrate the Electronic Cash Confirmation Process into the Auditing Curriculum</i> , Hanes D.R.; Porco B.M.; Thibodeau J.C., 2014
4.	<i>Peregrine-Twenty Years of Fraudulent Cash Balances</i> , Elder R.J.; Janvrin D.J.; Caster P., 2014
5.	<i>An Exploration of Bank Confirmation Process Automation: A Longitudinal Study</i> , Caster P.; Elder R.J.; Janvrin D.J., 2020
6.	<i>Accounts Receivable: An Audit Simulation</i> , Edmonds M.; Miller T.; Savage A., 2019
7.	<i>Wealthy Watches Inc.: The Substantive Testing of Accounts Receivable in the Evolving Audit Environment</i> , Andiola L.M.; Downey D.H.; Earley C.E.; Jefferson D., 2022
8.	<i>The Effect of Audit Digital Transformation on Audit Quality: Evidence from Digital Bank Confirmations</i> , Guo R.; Jia Y.; Shentu L., 2022
Audit Sampling	
1.	<i>Using Computerized Audit Software to Learn Statistical Sampling: An Instructional Resource</i> , Richardson R.C.; Louwers T.J., 2010
2.	<i>Haphazard Sampling: Selection Biases and the Estimation Consequences of These Biases</i> , Hall T.W.; Higson A.W.; Pierce B.J.; Price K.H.; Skousen C.J., 2013
3.	<i>Behind the Numbers: Insights into Large Audit Firm Sampling Policies</i> , Christensen B.E.; Elder R.J.; Glover S.M., 2015

No	Title, Author(s) and Year
4.	<i>Audit Sampling Strategies and Frauds: An Evidence from Africa, Nagirikandalage P.; Binsardi A.; Kooli K., 2021</i>
5.	<i>Does Systematic Selection Lead to Unreliable Risk Assessments in Monetary-Unit Sampling Applications?, Hoogduin L.A.; Hall T.W.; Tsay J.J.; Pierce B.J., 2015</i>
6.	<i>Haphazard Sampling: Selection Biases Induced by Control Listing Properties and the Estimation Consequences of These Biases, Hall T.W.; Higson A.W.; Pierce B.J.; Price K.H.; Skousen C.J., 2012</i>
7.	<i>Field Data on Accounting Error Rates and Audit Sampling, Durney M.; Elder R.J.; Glover S.M., 2014</i>