

Agenda Item 7–A

Audit Evidence & Risk Response (AE&RR) – Explanation of Changes

This Agenda Item explains the changes, and the rationale for those changes, made to the drafts for Proposed ISA 330 (Revised),¹ Proposed ISA 500 (Revised)² and Proposed ISA 520 (Revised)³ presented in **Agenda Items 7–B, 7–C and 7–D**, respectively. The changes have been based on the Board’s comments (i.e., comments provided in plenary discussion in December 2025 as well as offline comments provided directly to the project team) and additional stakeholder feedback from the ongoing project outreach activities.

The changes addressed in this Agenda item do not address matters of an editorial nature. In addition, this Agenda Item also refers to the key matters considered, and significant changes made, that are discussed in more detail in the relevant sections of **Agenda Item 7** (Issues Paper).

A. Proposed ISA 330 (Revised) (Ref: Agenda Item 7–B)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
<i>Definitions</i>	
Paragraph 4	<p><i>Definition of Tests of Details</i></p> <ul style="list-style-type: none"> The words ‘certain types of’ were removed to avoid unintentionally implying that some types of audit procedures are implicitly excluded from the definition. In response to comments, the words ‘obtain audit evidence about’ were added to enhance the consistency with the language used in the definition of ‘tests of controls.’ <p><i>Application Material</i></p> <ul style="list-style-type: none"> The example (second bullet) in paragraph A0A referred to evaluating the reliability of information when it is obtained from the entity’s information system. Because Proposed ISA 500 (Revised) addresses the evaluation of reliability of <i>all</i> information, the reference to the source of the information was removed from the example.

¹ Proposed International Standard on Auditing (ISA) 330, *The Auditor’s Responses to Assessed Risks*.

² Proposed ISA 500 (Revised), *Audit Evidence*

³ Proposed ISA 520 (Revised), *Analytical Procedures*

A. Proposed ISA 330 (Revised) (Ref: Agenda Item 7–B)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
	<ul style="list-style-type: none"> Another example was added in paragraph A0B to highlight that the specific items of a test of details may include physical items represented by an account balance.
<i>Overall Responses</i>	
Paragraph 5	<p><i>Application Material</i></p> <ul style="list-style-type: none"> The penultimate bullet point in paragraph A1 was revised to enhance consistency with language used in ISA 315 (Revised 2019).⁴ Paragraph A2 was revised to enhance: <ul style="list-style-type: none"> Alignment with concepts addressed in ISA 315 (Revised 2019), by extending the application material to the effect of control deficiencies within ‘the entity’s system of internal control’ instead of those in the ‘control environment’ only, which is one component of the system of internal control. The application of professional skepticism, by deleting the sentence that referred to the auditor being able to ‘have confidence’ that internally generated information is reliable when there are no significant deficiencies identified in the system of internal control. In addition, the deletion aims to avoid any unintended implication that conflicts with the principle in Proposed ISA 500 (Revised) to perform procedures to evaluate the reliability of information intended to be used as audit evidence. The notion of ‘the auditor’s general approach’ was clarified in paragraph A3 as being in the context of the design of further audit procedures.
<i>Audit Procedures Responsive to the Assessed Risks of Material Misstatement at the Assertion Level</i>	
Paragraph 6	<p><i>Application Material</i></p> <p>Nature, Timing and Extent of Further Audit Procedures</p>

⁴ ISA 315 (Revised 2019), *Identifying and Assessing the Risks of Material Misstatement*

A. Proposed ISA 330 (Revised) (Ref: Agenda Item 7–B)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
	<ul style="list-style-type: none"> • In the hanging paragraph of A4: <ul style="list-style-type: none"> ○ In the first sentence, the reference to 'risk of material misstatement' was changed to 'inherent risk.' This is because when the auditor's expectation that controls are operating effectively is taken into account in assessing a risk of material misstatement (ROMM), the auditor's further audit procedures are required by paragraph 8 to include tests of controls. ○ The second sentence referring to paragraph 18 requiring substantive procedures for each material class of transactions, account balance and disclosure (COTABD) was removed. • The following key revisions were made to paragraph A4A: <ul style="list-style-type: none"> ○ New factors were added that the auditor may consider in making professional judgments that at the assertion level, the assessed risk of material misstatement may be addressed through tests of controls alone, which include whether management have documented the control design, and whether they have designed and implemented monitoring controls to monitor the effective operation of the control. ○ The considerations specific to smaller entities from paragraph A18 were repositioned and repurposed into examples to illustrate circumstances where a controls alone approach may not be appropriate. <p>Nature and Extent of Substantive Procedures</p> <ul style="list-style-type: none"> • For changes to paragraphs A45–A46A, refer to explanations in Agenda Item 7. • Changes were made to paragraph A47 aiming to enhance the linkage with the language in the requirement of paragraph 7, which refers to the auditor's consideration of the reasons for the assessment of risk when designing further audit procedures, and for the design of audit procedures at the assertion level. Additionally, the language of the examples was revised to enhance the consistency of terms with ISA 315 (Revised 2019), including references to COTABDs, rather than financial statements line items. • Paragraph A48 was revised to clarify the relationship between the results of tests of controls performed as part of the further procedures related to a relevant assertion, and the requirement for the auditor to revise the nature, timing and extent of substantive procedures in the circumstances described in paragraph 17(c).

A. Proposed ISA 330 (Revised) (Ref: Agenda Item 7–B)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
	<ul style="list-style-type: none"> A footnote was added to paragraph A49 to reflect that the term ‘sample size’ is used as in paragraph 7 of ISA 530.⁵ The cross references to other ISAs in paragraph A49A were moved to clarify that the term exception in this paragraph is intended to be read as defined in ISA 505.⁶
Paragraph 6A	<p><i>Requirements</i></p> <ul style="list-style-type: none"> The word ‘assessed’ was included in the requirement given that the auditor’s responses are in relation to assessed risks of material misstatement.
Paragraph 7	<p><i>Application Material</i></p> <ul style="list-style-type: none"> The first example in paragraph A9 was clarified to emphasize the varying types of audit procedures performed in response to the assessed risk, rather than being focused on procedures to evaluate the reliability of information and how such procedures may change depending on the level of risk associated with an assertion. In the second example, certain language refinements were proposed. The wording of the example in paragraph A10 was enhanced to mirror language used in ISA 315 (Revised 2019) and with revisions proposed elsewhere in the standard. The project team proposed to introduce paragraph A10B to enhance linkages with ISA 315 (Revised 2019). However, because this application material is largely duplicative with the guidance in new paragraph A24D, the paragraph has been removed for streamlining purposes. In paragraphs A13–A14, revisions were made to enhance the linkage with language used in ISA 315 (Revised 2019) and concepts addressed by Proposed ISA 500 (Revised). For example, replacing ‘examination’ with ‘inspection’ as a type of audit procedure and by referring to ‘risks of material misstatement’ and linking to a relevant assertion. The first example in paragraph A15 was removed as it implied that there are varying degrees of precision for a substantive analytical procedure. On the other hand, the revisions made to Proposed ISA 520 (Revised) clarify the

⁵ ISA 530, *Audit Sampling*

⁶ ISA 520, *External Confirmations*

A. Proposed ISA 330 (Revised) (Ref: Agenda Item 7–B)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
	<p>necessary precision for a substantive analytical procedure to be able to detect a material misstatement so as to qualify as a substantive procedure.</p> <ul style="list-style-type: none"> • A lead in sentence was included to precede the examples in paragraph A19. In addition, the last example referring to decreasing the amount of difference that is acceptable without further investigation for substantive analytical procedures was removed in view of comments that it was inconsistent with the framework under Proposed ISA 520 (Revised) that specifies that the threshold should not exceed performance materiality. • New application material is proposed in paragraphs A19AA–A19AB setting out guidance relevant to designing tests of controls as part of the further audit procedures to address significant risks. The guidance: <ul style="list-style-type: none"> ○ Sets out that the auditor is required to plan to obtain more persuasive evidence in responding to significant risks. ○ Enhances the linkage with ISA 315 (Revised 2019) by including a signpost that, while significant risks may be less likely to be subject to routine controls, ISA 315 (Revised 2019) nonetheless requires the evaluation of the design, and a determination of implementation, of controls that address significant risks, and that this work may be useful to the auditor when designing responses to significant risks.
<i>Tests of Controls</i>	
Paragraph 8	<p><i>Requirements</i></p> <ul style="list-style-type: none"> • The following changes were made to the requirement: <ul style="list-style-type: none"> ○ The words ‘to obtain sufficient appropriate audit evidence as to the operating effectiveness of controls’ have been removed from the lead-in sentence on the basis that the newly proposed ‘stand-back’ evaluation in the standard captures a holistic evaluation of the sufficiency and appropriateness of audit evidence obtained from further audit procedures. ○ In sub-paragraph (a) the sentence in parentheses has been removed to avoid unintentionally suggesting that substantive procedures are always required to address an assessed risk of material misstatement at the assertion level.

A. Proposed ISA 330 (Revised) (Ref: Agenda Item 7–B)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
	<p><i>Application Material</i></p> <ul style="list-style-type: none"> The first bullet in the examples in paragraph A19A was aligned with the changes to the requirement in paragraph 11. Certain clarifications were made to paragraphs A21–A22 aiming to enhance the linkages with ISA 315 (Revised 2019) by cross-referencing to relevant requirements and application material. Additionally, to enhance the linkage with Proposed ISA 500 (Revised), a cross reference is added to the requirements that specify the auditor's responsibilities when an audit procedure is used for more than one purpose.
Paragraph 9	<p><i>Requirements</i></p> <ul style="list-style-type: none"> In view of comments that the text of the requirement could be clearer as well as concerns with the duplication of the concept of 'operating effectiveness' in the sentence, further clarifications were made aiming to relate persuasiveness with how much weight (i.e., 'reliance') the auditor intends to place on the audit evidence about the operating effectiveness of controls to address an assessed ROMM at the assertion level. <p><i>Application Material</i></p> <ul style="list-style-type: none"> In December 2025, the project team proposed new application material in paragraph A24C to explain the phrase 'place reliance on the operating effectiveness of controls.' Given the rewording changes to the requirement (i.e., the revised text focuses on 'relying on evidence' rather than 'relying on controls'), this guidance is no longer necessary or relevant. Changes to paragraph A25 aim to align the application material with the proposed revisions to the requirement, and enhance the distinction between paragraph 9 and paragraph 7(c) of the standard by highlighting that the auditor may need more persuasive evidence that controls operated effectively in certain circumstances, in order to support obtaining sufficient appropriate audit evidence in response to a ROMM at the assertion level.
Paragraph 10(a)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> The changes to paragraph A26 aim to clarify that the auditor does not focus on the 'sufficiency' of procedures, but

A. Proposed ISA 330 (Revised) (Ref: Agenda Item 7–B)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
	<p>on the ‘sufficiency and appropriateness’ of audit evidence. In addition, linkages were made to the persuasiveness of the audit evidence.</p> <ul style="list-style-type: none"> • In paragraph A27 the reference to CAAT was replaced with ‘technological tools.’ • Paragraph A28 was aligned with changes made elsewhere in the standard that relate ‘reliance’ on audit evidence rather than ‘reliance’ on the controls. In addition, changes were made to enhance the linkages with the concept of relevance and reliability of information intended to be used as audit evidence in Proposed ISA 500 (Revised). • Paragraph A29 was updated as a consequence of the proposed revisions to the requirement in paragraph 10(b), to clarify that procedures other than directly testing the operating effectiveness of automated controls may provide evidence that a previously tested automated control continues to operate effectively. In addition, an example was included of the possible effects of using technologies by entities, which may result in automated controls not being performed consistently, to highlight the importance of professional judgment in determining an appropriate approach to testing controls. • The lead in sentence in paragraph A30 was updated for consistency with the requirements (i.e., ‘risks of material misstatement at the assertion level’) and to align with the language in paragraph 12(e) of ISA 315 (Revised 2019), describing information processing controls as those ‘relating to the processing of information in IT applications or manual information processes in the entity’s information system that directly address risks to the integrity of information (i.e., the completeness, accuracy and validity of transactions and other information).’ • Paragraph A31 was repurposed and moved into paragraph A32AB (i.e., as application material to the requirement in paragraph 10(b)).
Paragraph 10(b)	<p><i>Requirements and Application Material</i></p> <ul style="list-style-type: none"> • Refer to explanations in Agenda Item 7.
Paragraph 11	<p><i>Requirements</i></p> <ul style="list-style-type: none"> • For alignment purposes with the requirements in paragraphs 9, the word ‘intend’ was replaced with ‘plans’ and the phrase ‘reliance’ was used in the context of the audit evidence rather than the operating effectiveness of the controls.

A. Proposed ISA 330 (Revised) (Ref: Agenda Item 7–B)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
	<p><i>Application Material</i></p> <ul style="list-style-type: none"> In paragraph A32A, a cross reference is added to the guidance in paragraph A6 discussing the timing of further audit procedures to enhance the linkages among the concepts addressed in the standard.
Paragraphs 11A–11B	<p><i>Requirements</i></p> <ul style="list-style-type: none"> The language in the requirements was streamlined for conciseness and clarity. <p><i>Application Material</i></p> <ul style="list-style-type: none"> New application material in paragraph A33A clarifies that the requirements in paragraphs 11A–11B prevents the auditor from using prior period audit evidence in responding to these risks.
Paragraph 12	<p><i>Requirements and Application Material</i></p> <ul style="list-style-type: none"> Refer to explanations in Agenda Item 7.
Paragraph 13	<p><i>Requirements</i></p> <ul style="list-style-type: none"> Subparagraph (b) was extended to better align with concepts addressed in ISA 315 (Revised 2019). The circumstance referring to the risks arising from the risks of IT in subparagraph (e) was relegated to the application material, given this is not the only circumstance that may cause a risk due to changing circumstances. <p><i>Application Material</i></p> <ul style="list-style-type: none"> Clarifications were proposed to the example in paragraph A36 to explain at a more detailed level the intended operation of the requirement. Revisions were made to paragraph A36A and in doing so references to both relevance and reliability were retained to support alignment with the requirement and the principles in Proposed ISA 500 (Revised). The revisions to paragraph A36B aim to clarify the consequence for the auditor's decisions about using prior period

A. Proposed ISA 330 (Revised) (Ref: Agenda Item 7–B)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
	<p>audit evidence, of ineffective general IT controls.</p> <ul style="list-style-type: none"> Paragraph A36C was included to explain the rationale for the auditor’s consideration of whether a lack of change in the design or operation of a control may prevent the auditor from using audit evidence obtained in a previous period, including providing examples of such changes.
Paragraph 14	<p><i>Requirements</i></p> <ul style="list-style-type: none"> Clarifications were proposed to the wording of the requirement to address comments received about the lack of clarity around the time period when the auditor plans to use audit evidence from a previous audit. In doing so, the reference to ‘a previous audit’ was extended to refer to ‘an audit conducted within the previous three years.’ <p><i>Application Material</i></p> <ul style="list-style-type: none"> New application material has been proposed in paragraph A36D to enhance the linkage with ISA 315 (Revised 2019), addressing questions targeted in the project proposal to consider how the requirements interact with the enhanced requirements in ISA 315 (Revised 2019). A clarification has been added in paragraph A37 to explain that the changes that affect the continuing relevance of the audit evidence from the previous audit may include changes in the control itself, related process changes or changes in the assessed ROMM that the control is intended to address. The language in paragraph A38 clarifies the circumstances addressing when using audit evidence from a previous audit is not permissible, including providing cross-references to the related requirements. Also, the baseline for re-testing a control every three years was clarified by stating that it is every third year, independently of how many audits are conducted during that period.
Paragraph 16	<p><i>Requirements</i></p> <ul style="list-style-type: none"> In response to concerns that the meaning of the requirement may have been unintentionally changed by the insertion of the words ‘throughout the audit’ the requirement was clarified to emphasize that the auditor’s evaluation considers any misstatements detected from substantive procedures performed on any significant COTABD.

A. Proposed ISA 330 (Revised) (Ref: Agenda Item 7–B)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
Paragraph 17	<p><i>Requirements and Application Material</i></p> <ul style="list-style-type: none"> Refer to explanations in Agenda Item 7.
<i>Substantive Procedures</i>	
Paragraph 18	<p><i>Requirements and Application Material</i></p> <ul style="list-style-type: none"> Paragraph 18 and the related application material in paragraphs A43–A44 addressing substantive procedures for each material COTABD was removed.
Paragraph 19	<p><i>Application Material</i></p> <ul style="list-style-type: none"> The changes in paragraphs A50–A52 seek to achieve alignment with terms and concepts used in ISA 315 (Revised 2019) and Proposed ISA 500 (Revised). For example, terms such as ‘relevant audit evidence’ are replaced with ‘persuasiveness of audit evidence.’
Paragraph 22	<p><i>Application Material</i></p> <ul style="list-style-type: none"> The purpose of a substantive analytical procedure or a test of details, which is to detect a material misstatement, when using audit evidence from an interim period has been clarified in paragraph A57. Clarifications have been proposed in paragraph A58 to align with terms and concepts of ISA 315 (Revised 2019).
<i>Evaluating the Sufficiency and Appropriateness of Audit Evidence</i>	
Paragraph 25	<p><i>Requirements</i></p> <ul style="list-style-type: none"> The words ‘from further audit procedures’ were inserted into the second sentence of the requirement to clarify its scope of the new ‘stand-back’ evaluation. In doing so, the project team also considered that this approach is better aligned with how the ‘stand-back’ evaluation is worded in paragraph 35 of ISA 315 (Revised 2019) which refers to all audit evidence obtained from the risk assessment procedures.

A. Proposed ISA 330 (Revised) (Ref: Agenda Item 7–B)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
Paragraph 27	<p><i>Requirements</i></p> <ul style="list-style-type: none">• In response to comments, the last sentence of the requirement was aligned to mirror paragraph 34 of ISA 540 (Revised).⁷ <p><i>Application Material</i></p> <ul style="list-style-type: none">• Clarifications were made to paragraph A63A, including reordering the sequence of the bullet points in the list for coherence, and aligning to changes made elsewhere in the standard (e.g., when referring to paragraph A19).

⁷ ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*

B. Proposed ISA 500 (Revised) (Ref: Agenda Item 7–C)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
<i>Introduction</i>	
Paragraph 1	<p><i>Scope</i></p> <ul style="list-style-type: none"> The reference to automated tools and techniques was removed from the scope paragraph in view of the IAASB's decision not to pursue technology related requirements in the standard. <p><i>Application Material</i></p> <ul style="list-style-type: none"> The description of automated tools and techniques from paragraph A2A has been removed in view of the IAASB's decision to place the new description of the term 'technological tools', with supporting examples, into both ISQM 1⁸ and ISA 220 (Revised).⁹ Paragraph A65A was repositioned into new paragraph A2B to explain that audit procedures may be performed manually, by using technological tools or in combination. In doing so, the examples referring to how technological tools may be used to provide persuasive audit evidence were retained. In paragraph A4, a reference is provided to Appendix 3 intending to provide considerations for using technological tools (also refer to explanations in Agenda Item 7). In addition, the linkages to other ISAs, including ISA 220 (Revised) that provide examples of technological tools to facilitate the design or performance of procedures in obtaining sufficient appropriate evidence have been updated (e.g., replacement of the retitled term 'technological tool' and updates necessary to align or cross references to recently approved ISAs).
Paragraph 4A	<p><i>Professional Judgment and Professional Skepticism</i></p> <ul style="list-style-type: none"> The words 'for example' were inserted to better align with paragraph A21 of ISA 200¹⁰ that provides examples of professional skepticism.

⁸ International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

⁹ ISA 220 (Revised), *Quality Management for an Audit of Financial Statements*

¹⁰ ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*

B. Proposed ISA 500 (Revised) (Ref: Agenda Item 7–C)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
<i>Definitions</i>	
Paragraph 7	<p><i>Application Material</i></p> <ul style="list-style-type: none"> In paragraph A12C a cross reference was provided to other ISAs that set our requirements and guidance relevant to the use of audit evidence from a previous audit. The first bullet in paragraph A14B was aligned with the changes made to the requirement in paragraph 9 of Proposed ISA 330 (Revised). The relevance of the information intended to be used as audit evidence was added back into the first bullet in paragraph A14C and the wording was aligned with the changes proposed for paragraph 9(b).
<i>Designing and Performing Audit Procedures to Obtain Sufficient and Appropriate Audit Evidence</i>	
Paragraph 8	<p><i>Application Material</i></p> <ul style="list-style-type: none"> In paragraph A15, the example was clarified to state the intended purpose of the audit procedure described (i.e., a test of detail, which is a substantive procedure designed to detect a material misstatement). In paragraph A19 an example was added to illustrate automation bias by repositioning paragraph A65K. In addition, a cross reference was provided to Appendix 3 intending to provide further considerations relevant to automation bias when using technological tools (also refer to explanations in Agenda Item 7).
Paragraph 8A	<p><i>Requirements</i></p> <ul style="list-style-type: none"> The word ‘separately’ was removed given that the text of the requirement is already clear that the auditor evaluates the audit evidence obtained to meet <i>each</i> intended purpose. <p><i>Application Material</i></p> <ul style="list-style-type: none"> In paragraph A26B, the words ‘such audit procedures’ were clarified to explain that they refer to ‘an audit procedure performed for more than one purpose.’ In addition, the example referring to the use of technological tools to perform

B. Proposed ISA 500 (Revised) (Ref: Agenda Item 7–C)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
	<p>an audit procedure for more than one purpose were repositioned to Appendix 3 and a cross-reference has been included from this paragraph to the intended guidance in the appendix (also refer to explanations in Agenda Item 7).</p>
<i>Information Intended to be Used as Audit Evidence</i>	
Paragraph 9	<p><i>Requirements</i></p> <ul style="list-style-type: none"> Refer to explanations in Agenda Item 7. <p><i>Application Material</i></p> <ul style="list-style-type: none"> The phrase ‘principal attribute’ was removed from paragraph A54. This is because there is only one attribute for relevance of information, so it is confusing to refer to ‘<i>attributes</i> of relevance.’ Also, the subheading preceding paragraph A53, that referenced ‘<i>attributes of relevance</i> and reliability,’ was removed not to imply that there is more than one attribute for relevance of information. In addition, to clarify that there is more than one attribute that relates to reliability of information, the words ‘attributes’ were inserted in the subheading preceding paragraph A56. In paragraph A56: <ul style="list-style-type: none"> The lead-in sentence of the table setting out the descriptions of the attributes of reliability of information was aligned with wording used elsewhere in the standard. The description of authenticity of information was clarified, given that the removal of the word ‘inappropriate’ could have unintended consequences by broadening the description to encompass <i>any types of alterations</i> to information (e.g., converting information from paper to electronic format). Instead, a clarification was provided to specify that the alteration to the information is of such a nature that makes the information unreliable to the audit. The example (second bullet) in paragraph A56B was clarified to indicate that the auditor may consider the information both credible and authentic. Comments were provided that it remains unclear when authenticity is not of significance to meet the intended

B. Proposed ISA 500 (Revised) (Ref: Agenda Item 7–C)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
	<p>purpose of the audit procedures. Given that paragraph A56A provides guidance that is applicable to all attributes of reliability, including factors to be considered to aid auditor’s judgments for when an attribute may be of significance, a new paragraph has been added (i.e., paragraph A56Faa) to link back to this guidance which applies too for authenticity.</p> <ul style="list-style-type: none"> • In paragraph A56Fa: <ul style="list-style-type: none"> ○ The lead-in sentence was removed as it caused confusion as to the quantity of documents and records need to be considered when authenticity is of significance. ○ The example in the lead-in paragraph (last sentence) was removed in response to comments that it was too generic implying that authenticity would always be considered of significance in circumstances when there is a higher risk of material misstatement. • In paragraph A56G: <ul style="list-style-type: none"> ○ The word ‘inappropriate’ was reinserted in the first sentence as the description for authenticity does not intend to capture ‘any type’ of alteration that may be appropriate for an audit. ○ Given that <i>access controls</i> is a term that has a described meaning in the IAASB’s Glossary of Terms, the word ‘input’ controls was replaced with ‘access’ controls in the second bullet of the examples. • The application material in paragraphs A65A–A65M that was greyed out for the purpose of the Pre-finalization Holding Package for Proposed ISA 500 (Revised),¹¹ addressing the use of automated tools and techniques was moved elsewhere in the standard or proposed to be repositioned to Appendix 3 (also refer to explanations in Agenda Item 7).
Paragraphs 10–10C	<p><i>Requirements and Application Material</i></p> <ul style="list-style-type: none"> • Refer to explanations in Agenda Item 7.

¹¹ See the Pre-finalization Holding Package for Proposed ISA 500 (Revised) in [Agenda Item 5](#) discussed by the IAASB at the March 2024 quarterly meeting, that encapsulates the Board’s decisions on key aspects addressed in [ED-500](#), including the IAASB’s deliberations of proposals and options based on the feedback received on ED-500.

B. Proposed ISA 500 (Revised) (Ref: Agenda Item 7–C)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
<i>Inconsistencies in Audit Evidence</i>	
Paragraph 14	<p><i>Application Material</i></p> <ul style="list-style-type: none"> New application material was included in paragraphs A90A–A90B, by repositioning previous paragraphs addressing the outputs from the use of technological tools (i.e., paragraphs A65H and A65J of the Pre-finalization Holding Package). In doing so, the application material was revised so that it applies broadly to all circumstances when inconsistencies are identified, irrespective of whether technological tools are used.
<i>Appendices</i>	
Appendices	<p><i>Appendix 1</i></p> <ul style="list-style-type: none"> Paragraphs 1B–1C are proposed to be repositioned and repurposed into Appendix 3 (also refer to explanations in Agenda Item 7). <p><i>Appendix 2</i></p> <ul style="list-style-type: none"> In paragraph 4, the term ‘examine’ was replaced with ‘inspect’ to align with the types of audit procedures described in Appendix 1. In paragraph 6, the term ‘electronic form’ was replaced with ‘digital form’ to align with changes made elsewhere in the standard (i.e., paragraph A41 refers to digital information and provides examples of what such information includes).
Appendix 3	<p><i>Appendix 3</i></p> <ul style="list-style-type: none"> Refer to explanations in Agenda Item 7.

C. Proposed ISA 520 (Revised) (Ref: Agenda Item 7–D)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
<i>Introduction</i>	
Paragraph 1B	<p><i>Application Material to the Scope Paragraph</i></p> <ul style="list-style-type: none"> New application material was added in paragraph A0, to link to the explanation in Proposed ISA 330 (Revised) highlighting that analytical procedures may be used in combination with tests of controls or tests of details to obtain sufficient appropriate audit evidence as part of designing and performing further audit procedures. In addition, the example from extant paragraph A10 was repositioned into this paragraph as it addresses an analytical procedure in combination with a test of details.
<i>Definitions</i>	
Paragraph 4(b)	<p><i>Definition of Substantive Analytical Procedure</i></p> <ul style="list-style-type: none"> In response to comments, the phrase ‘to determine whether there is a material misstatement’ was replaced with ‘to detect a material misstatement’ to better align with the purpose of a substantive procedure which is ‘to detect material misstatement.’ <p><i>Application Material</i></p> <ul style="list-style-type: none"> In paragraph A3 a clarification was provided to emphasize that all analytical procedures are based on an expectation that relationships among data exist and continue in the absence of known conditions to the contrary.
<i>Results of Analytical Procedures Performed as Risk Assessment Procedures</i>	
Paragraph 4(b)	<p><i>Application Material</i></p> <ul style="list-style-type: none"> In paragraph A3B, a new bullet was included to provide an example of how an analytical procedure may be used as risk assessment procedures by reference to paragraph A27 of ISA 315 (Revised 2019).

C. Proposed ISA 520 (Revised) (Ref: Agenda Item 7–D)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
<i>Substantive Analytical Procedures</i>	
Paragraph 5	<p><i>Requirements</i></p> <ul style="list-style-type: none"> The phrase ‘as substantive procedures’ was removed from the lead-in sentence to the requirement because substantive analytical procedures are already separately defined from analytical procedures in the standard. In subparagraph (a) the reference to tests of details was removed from the requirement given that depending on the circumstances, the changes to Proposed ISA 330 (Revised) recognize that either substantive analytical procedures or tests of details may be performed as the sole substantive procedures to provide sufficient appropriate audit evidence. In addition, the phrase ‘taking account of’ is replaced with ‘considering’ in accordance with the CUSP Drafting Principles and Guidelines.¹² In subparagraph (c), the word ‘and’ in the lead-in sentence is replaced with the word ‘or’ to align with the definition for substantive analytical procedures. In subparagraph (d), the phrase ‘to evaluate’ is replaced with the phrase ‘for evaluating’ to clearly introduce the purpose for the auditor’s determination. <p><i>Application Material</i></p> <ul style="list-style-type: none"> In paragraph A4, the phrase ‘or a combination of both’ is removed to convey the notion that either substantive analytical procedures or tests of details may be performed as the sole substantive procedures to provide sufficient appropriate audit evidence. Paragraph A5A was streamlined and the subheading preceding the requirement removed given it was not necessary. The application material in paragraphs A6–A9 was integrated and updated to reflect the changes in the requirement. In addition, clarification was provided that application of planned substantive analytical procedures is based on the expectation that one or more <i>plausible and predictable</i> relationship among information exists and continues to exist

¹² See Appendix 2: ‘Work Effort Verbs’ of the [CUSP Drafting Principles and Guidelines](#).

C. Proposed ISA 520 (Revised) (Ref: Agenda Item 7–D)	
Reference	Explanation of Significant Changes and the Rationale for the Changes Made
	<p>in the absence of conditions to the contrary.</p> <ul style="list-style-type: none"> • A new paragraph A11A is introduced, with supporting examples, to explain how the auditor may determine the plausible and predictable relationship between financial or non-financial data exist. • Several changes are made to paragraphs A12–A13 for the purpose of alignment with Proposed ISA 500 (Revised). • The examples in paragraphs A15A–A15B were clarified in response to comments provided. Also, the lead-in sentence in paragraph A15A was simplified by cross referencing to the requirement in paragraph 5(c)(ii). • Paragraph A16 was removed not to unintentionally imply that the auditor may need to further reduce the threshold used to evaluate the differences below performance materiality. • In response to comments that the examples in paragraph A16C implied that the substantive analytical procedures illustrated were not sufficiently precise by design, revisions were proposed to enhance them to focus specifically on inspection of supporting documents.
<i>Analytical Procedures that Assist When Forming an Overall Conclusion</i>	
Paragraph 7	<p><i>Requirements</i></p> <ul style="list-style-type: none"> • The phrase ‘in addition to inquiries’ is removed from the second sentence of the requirement in response to comments that it duplicates the requirement in the first sentence for the auditor to investigate differences by making inquiries of management.