

**April 24, 2023**

ICAN/ED/R&T/APRIL/24/2023

*International Auditing and Assurance Standards Board*  
529 Fifth Avenue  
New York, NY 10017

Dear Sir,

**Re: RESPONSE TO CONSULTATION PAPER ON THE PROPOSED INTERNATIONAL STANDARD ON AUDITING 500 (REVISED), AUDIT EVIDENCE, AND PROPOSED CONFORMING AND CONSEQUENTIAL AMENDMENTS TO OTHER ISAS**

Please find below our responses to the Exposure Draft named above.

**Question 1-** Is the purpose and scope of ED-500 clear? In this regard:

- (a) Does ED-500 provide an appropriate principles-based reference framework for auditors when making judgments about audit evidence throughout the audit?

**Response:**

In our view, the purpose and scope of ED-500 is clear as provided in the exposure draft.

- (b) Are the relationships to, or linkages with, other ISAs clear and appropriate?

**Response:**

Paragraphs 1 – 4 enunciate the principle governing the formation of an auditor's judgement with respect to audit evidence. These paragraphs also clarify special circumstances where audit evidence has to be differently considered as contained in other ISAs and the overall consideration of audit evidence as provided in ISA 500.

**Questions 2** — What are your views about whether the proposed revisions in ED 500, when considered collectively as explained in paragraph 10 above, will lead to enhanced auditor judgments when obtaining and evaluating audit evidence?

**Response:**

When considered collectively, the proposed revisions in ED-500 are robust to enable enhanced auditor's judgement when obtaining and evaluating audit evidence.

**Question 3** — What are your views about whether ED-500 has an appropriate balance of requirements and application material (see paragraph 11 above)?

**Response:**

The requirements and responsibilities bestowed on the auditor by paragraphs 8 – 14 are well enabled by application materials provided from A15 through to A93 to enable the execution of the applied requirements and responsibilities.

**Question 4** — Do you agree that ED-500 is appropriately balanced with respect to technology by reinforcing a principles-based approach that is not prescriptive but accommodates the use of technology by the entity and the auditor, including the use of automated tools and techniques?

**Response:**

We agree that ED-500 is appropriately balanced with respect to technology by reinforcing a principles-based approach.

**Question 5** — Do the requirements and application material in ED-500 appropriately reinforce the exercise of professional skepticism in obtaining and evaluating audit evidence?

**Response:**

The requirements and application material in ED-500 appropriately reinforce the exercise of professional skepticism in obtaining and evaluating audit evidence.

**Question 6** — Do you support the revised definition of audit evidence? In particular, do you agree with the “input-output model” that information can become audit evidence only after audit procedures are applied to it?

**Response:**

Yes, we support the revised definition of audit evidence. Particularly, the “input-output model” which requires that information can only become audit evidence after audit procedures are applied to it by the auditor.

**Question 7** — Does the application material appropriately describe the interrelationship of the sufficiency, appropriateness and persuasiveness of audit evidence?

**Response:**

Yes, the application material has appropriately described the interrelationship existing between appropriateness and persuasiveness of audit evidence as captured in paragraphs A13 and A14.

**Question 8** — Will the requirements and application material in ED-500 support an appropriate evaluation of the relevance and reliability of information intended to be used as audit evidence?

**Response:**

Yes, the requirements and application material in ED-500 support an appropriate evaluation of the relevance and reliability of information intended to be used as audit evidence.

**Question 9** — Do you agree with the separate conditional requirement to obtain audit evidence about the accuracy and completeness of information when those attributes are applicable in the circumstances?

**Response:**

Considering the provisions within paragraph 10 of this Exposure Draft ISA 500 and as enabled for application by paragraphs A63 to A65 of the standard, we agree with the separate conditions requirement to obtain audit evidence about the accuracy and completeness of the observation when those attributes are applicable in the circumstances.

**Question 10** — Do you agree with the new “stand back” requirement for the auditor to evaluate audit evidence obtained from the audit procedures performed as a basis for concluding in accordance with ISA 330 that sufficient appropriate audit evidence has been obtained?

**Response:**

In line with the terms of re-evaluation of audit evidence obtained in accordance with ISA 330 to ascertain collaboration or inconsistency, we agree with the new “stand back” requirement for concluding that sufficient appropriate audit evidence has been obtained.

**Question 11** — Are there any other matters you would like to raise regarding ED-500? If so, please clearly indicate the requirement(s) or application material, or the theme or topic, to which your comment(s) relate.

**Response:**

We do not have any other matter to raise regarding ED 500 currently.

**Question 12** — The IAASB is also seeking comments on the matters set out below:

- (a) Translations—Recognizing that many respondents may intend to translate the final ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing ED-500.

**Response:**

In Nigeria, our official language is the English Language. We do not have any issue with translation.

- (b) Effective Date—Recognizing that ED-500 is a substantive revision, and given the need for national due process and translation, as applicable, the IAASB believes that an appropriate effective date for the standard would be for financial reporting periods beginning approximately 18 months after approval of a final ISA. Earlier application would be permitted and encouraged. The IAASB welcomes comments on whether this would provide a sufficient period to support effective implementation of the ISA.

**Response:**

We consider the period proposed by the Board as sufficient period to support effective implementation of the ISA 500.

We appreciate the privilege to contribute to the Consultation Paper and we are available should there be need for further clarification.

Yours faithfully,



**Prof. Ahmed M. Kumshe, FCA**  
**Registrar/Chief Executive**