



Proposed International Standard on Auditing 500 (Revised) Audit Evidence and Proposed Conforming and Consequential Amendments to Other ISAs

Exposure Draft October 2022

Comments due: April 24, 2023

Question	Answer
<p>1. Is the purpose and scope of ED-500 clear? In this regard:</p> <p>(a) Does ED-500 provide an appropriate principles-based reference framework for auditors when making judgments about audit evidence throughout the audit?</p> <p>(b) Are the relationships to, or linkages with, other ISAs clear and appropriate?</p>	<p>a) We consider that it provides an adequate framework where the following aspects stand out, among others:</p> <ul style="list-style-type: none">• Emphasizes with greater emphasis from the beginning of the standard what is related to professional judgment, professional skepticism and the absence of bias in the search for audit evidence.• Defines, in accordance with the new content of the standard, what is understood by audit evidence, indicating that it is information to which audit procedures have been applied.• Clearly expresses the path to follow when there are doubts about the relevance or reliability of the information that is intended to be used as audit evidence, and• Includes for the first time the interrelationship between the sufficiency, adequacy and persuasiveness of audit evidence <p>b) Yes, we consider that they are clear and adequate</p>
<p>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?</p>	<p>2. We believe that the incorporated topics and the added precisions will lead to improve the judgments of the auditors.</p>
<p>3. What are your views about whether ED-500 has an appropriate balance of requirements and application material (see paragraph 11 above)?</p>	<p>3. In general, we agree. The draft follows the current ISA 500 criteria of having few requirements paragraphs and plenty of application and other explanatory material.</p>
<p>4. Do you agree that ED-500 is appropriately balanced with respect to technology by reinforcing a principles-based approach that is not prescriptive</p>	<p>4. We agree. We consider that the use of technology, technology-based techniques (specific software) or technological tools (such as the use of</p>



<p>but accommodates the use of technology by the entity and the auditor, including the use of automated tools and techniques?</p>	<p>drones for visual inspections) should not be required by the standards but should be applied according to the judgment of the professional.</p>
<p>5. Do the ED-500 requirements and application material adequately reinforce the exercise of professional skepticism in obtaining and evaluating audit evidence?</p>	<p>5. We understand that it adequately reinforces the exercise of professional skepticism, particularly section 4 of the standard, which specifies an approach based on the critical evaluation of evidence during the planning and execution stages of the audit. The exemplification included in this section is conceptually clear and is complemented by the contents of the Application Guide, where the treatment of biases is extensively developed, among others (A19).</p>
<p>6. Do you support the revised definition of audit tests? In particular, do you agree with the "input-output model" according to which information can only become audit evidence after audit procedures have been applied to it?</p>	<p>6. We agree with the concept of evidence included in section 8 (b). In this sense, section 10 that establishes the mandatory nature of the evaluation of the information that will be used as evidence and its references to the Application Guide, make up a harmonious whole in reference to this definition.</p>
<p>8. Will the ED-500 requirements and application material support a proper assessment of the relevance and reliability of the information intended to be used as audit evidence?</p>	<p>8. We believe that the requirements and the application material of the ED standard will allow an adequate evaluation of the relevance and reliability of the information that is intended to be used as audit evidence. The attributes described in paragraphs A54 – A62 of ED 500 are applied based on professional judgment as set forth in the ED.</p>
<p>9. Do you agree with the conditional requirement to obtain independent audit evidence of the accuracy and completeness of the information when those attributes are applicable in the circumstances?</p>	<p>9. In accordance with the requirement to be conditional and independent to obtain audit evidence on the accuracy and completeness of the information, only when these attributes are applicable in the circumstances and in particular for information generated internally by an entity's information system . Also according to the application material (paragraphs A63-A65 of ED 500)</p>
<p>12. The IAASB is also seeking comments on the matters set out below: (a) Translations—Recognizing that many respondents may intend to translate the</p>	<p>12. a) We found no translation problems</p>



<p>final ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing ED-500.</p> <p>(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.</p>	<p>b) Regarding the effective date, financial reporting periods beginning 18 months after the approval of this revised ISA seems to be sufficient for its implementation, having an early translation of the pronouncement. Early application of this revised ISA should be permitted and encouraged.</p>
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