

September 2009

**BASIS FOR CONCLUSIONS  
CANADIAN AUDITING STANDARD (CAS) 500,  
Audit Evidence**

This Basis for Conclusions has been prepared by staff of the Auditing and Assurance Standards Board (AASB). It relates to, but does not form part of, Canadian Auditing Standard 500, “Audit Evidence.”

**Background**

In April 2007, the International Auditing and Assurance Standards Board (IAASB) issued its Exposure Draft of International Auditing Standard (ISA) 500 (Redrafted), “Audit Evidence” (ED-ISA 500). The IAASB approved final ISA 500 in September 2008 subject to confirmation from the Public Interest Oversight Board (PIOB) that due process was followed. This confirmation was received in December 2008.

In June 2007, the AASB issued its Exposure Draft to adopt proposed ISA 500 as CAS 500 to replace Section 5300, AUDIT EVIDENCE. There were 6 respondents to ED-CAS 500 (identified below).

The AASB approved CAS 500 in October 2008. The Auditing and Assurance Standards Oversight Council reviewed due process followed by the AASB in the development of this CAS prior to its issuance in the CICA Handbook – Assurance.

**Purpose of this Basis for Conclusions**

This Basis for Conclusions has been prepared to make Canadian stakeholders aware of the following.

- (a) A Basis for Conclusions prepared by IAASB staff for ISA 500 is available on the [IAASB web site](#), and it provides information on how the IAASB dealt with comments received on significant matters in response to the ED-ISA 500.
- (b) Information on how the AASB dealt with significant matters arising from comments received in response to its ED-CAS 500 is also available. This information is set out below.

## **Significant Matters**

### **AASB's Consideration of Amendments to ISA Wording**

1. CAS 500 contains an amendment that was not proposed in the ED-CAS 500. The Joint Policy Statement Concerning Communications between Actuaries Involved in the Preparation of Financial Statements and Auditors (JPS) between the Canadian Institute of Actuaries and the AASB has been appended to the CAS and referred to in paragraph CA48a. In previous communications, the AASB stated its intention to keep this material in the Handbook. The AASB decided that the most appropriate positioning of the JPS would be as an appendix to CAS 500. The material is directly related to the application and other explanatory material in CAS 500 relating to evaluating the appropriateness of the work of management's experts. The AASB carefully considered the matter and concluded that the proposed amendment met the AASB's criteria for such amendments.
2. Other than the amendment regarding the JPS noted above, the CAS contains no other amendment to the ISA wording. No respondent requested an additional amendment.

### **Other Matters**

None.

### **List of Respondents to ED-CAS 500**

Auditor General Alberta  
Canadian Public Accountability Board  
Deloitte & Touche LLP  
Henry Lawrie, FCA  
Ordre des comptables agréés du Québec  
Provincial Auditor Saskatchewan