



Audit and attest standards update

The Auditing Standards Board (ASB) met on May 18-21, 2020 by videoconference.

The Board voted to ballot for issuance a final Statement on Auditing Standards (SAS) titled *Audit Evidence*. The SAS explains what constitutes audit evidence in an audit of financial statements and sets out attributes of information that are taken into account by the auditor when evaluating information to be used as audit evidence. The SAS enhances the auditor's need to maintain professional skepticism and provides guidance on adapting to technology changes. The SAS will be effective for audits of financial statements for periods ending on or after December 15, 2022. Early implementation is permitted.

The Board also voted to ballot for issuance a final Statement on Auditing Standards (SAS) titled *Auditing Accounting Estimates and Related Disclosures*. This SAS requires the auditor to focus attention on areas of higher risk, accounting judgement, and possible bias, thereby assisting the auditor to form appropriate conclusions about the reasonableness of estimates in the context of an entity's financial reporting framework. This SAS will be effective for audits of financial statements for periods ending on or after December 15, 2023. Early implementation is permitted.

The ASB further considered its project to enable practitioners to perform direct examination attestation engagements designed to provide flexibility and enable new services for practitioners as well as align certain aspects of traditional examination and review engagements conducted pursuant to the attestation standards with international standards. A subsequent phase of this project will address enabling direct review attestation engagements.

The ASB also continued the discussion of a proposed SAS to converge with recently adopted changes by the IAASB that substantially revise the risk assessment standard. Finally, the Board discussed a project to address convergence with the IAASB's proposed quality management standards.

The Board also bid farewell to seven Board members whose terms have ended, as well as recognizing its Chair, Mike Santay, whose term as Chair is ending after four years, for outstanding service.