

CANADIAN AUDITING STANDARDS

CAS 501

audit evidence – specific considerations for selected items

SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving [CAS 600](#), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*.

- A3. Matters relevant in planning attendance at physical inventory counting (or in designing and performing audit procedures pursuant to paragraphs 4-8 of this CAS) include, for example:
- The risks of material misstatement related to inventory.
 - The nature of the internal control related to inventory.
 - Whether adequate procedures are expected to be established and proper instructions issued for physical inventory counting.
 - The timing of physical inventory counting.
 - Whether the entity maintains a perpetual inventory system.
 - The locations at which inventory is held, including the materiality of the inventory and the risks of material misstatement at different locations, in deciding at which locations attendance is appropriate. [CAS 600](#) 4 deals with the involvement of other auditors and accordingly may be relevant if such involvement is with regard to attendance of physical inventory counting at a remote location.
 - Whether the assistance of an auditor's expert is needed. [CAS 620](#) 5 deals with the use of an auditor's expert to assist the auditor to obtain sufficient appropriate audit evidence.
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Footnotes

4. [CAS 600](#), *Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)*

5. [CAS 620](#), *Using the Work of an Auditor's Expert*
