SA 700

Forming opinion & Reporting on F.S.

* Objective of auditor ⇒ Forming an opinion on the F.S. based on conclusion drawn from evidence obtained & expressing clearly the opinion through written report.

* General purpose framework

Fair Presentation Framework	Compliance Framework
Eg: Reliance Company audit ↳ Audit Procedure ↳ SA A ↳ Evaluate ↳ opinion ↓ → F.S. are giving true & fair view opinion; → F.S. presented in accordance with applicable FRF and free from mat. misstatement	Reliance → F.S. are prepared as per applicable FRF i.e. Compliance framework ⇒ opinion only on compliance

Opinion	Opinion
• Consider SA A Audit Evidence	✓
• Uncorrected mis-statement → material	✓
• Disclosure in F.S.	✓
• Accounting estimate	✓
• Reliability of financial information	✓
• Terminology used	✓
• Overall presentation, structure & content	✗
• F.S. represent underlying transaction	✗

Expression of opinion → Unmodified opinion — SA 700

Expression of opinion → Modified opinion — SA 705

* Content of Auditor Report

1) Title
2) Address
3) Auditor opinion
   - 3.1)
     - Identify entity
     - F.S. audited, Date & period
     - Component of F.S.
     - Notes
   - 3.2)
     - FRF framework
     - Compliance framework
4) Basis for opinion (SA 200)
   - SA's follow
   - Auditor responsibility
   - Ethical requirement
   - S&A Audit evidence obtained
5) Going Concern
6) Key Audit matters (SA 701)
7) Responsibility for the F.S. (SA 210)
   - Prepare the F.S.
   - Internal Control
   - Going Concern
   - F.S. giving true & fair
8) Audit Responsibility
   - objective
   - Reasonable assurance
   - Misstatement
     - Fraud
     - Error

   In body of AR or In appendix or on website
9) Other Reporting Responsibility
10) Signature of the auditor
11) Place of Signature
12) Date of the audit report

* Supplement Information
- Integral part of F.S. → Information should be covered under opinion
- Not the integral part of F.S.
  - Information should be differentiated from FS
  - If NOT, discuss & mention in AR