706 SA-450 SA 530 701 SA 210 SA 200

SA 706

EOM paragraph. उत्तर users के लिए important & related to F.S. understand fundamental disclosure in notes to a/cs

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Emphasis of matter Paragraphs & Other matter Paragraphs in the Independent Auditor's Report

~~Defi~~ Definitation of EOM.

disclosed + fundamental imp. to understing

EOM paragraph is a paragraph included in the auditor's report that refers to a matter appropriately presented or disclosed in the FS that, in the auditor's judgement, is of such importance that it is fundamental to users' understanding of the FS.

Separate section for EOM Emphasis (Draft EOM)

When the auditor includes an EOM in the auditor's report, the auditor shall:

Jan 25 May 18

(a) Include the paragraph within a separate section of the auditor's report with an appropriate "heading" that includes the term "EOM".

(b) Include in the paragraph a clear refrence to the matter being emphasized & to where relevant disclosures that fully describe the matters can be found in the FS. The paragraph shall refer only to info presented or disclosed in the FS and.

(c) Indicate that the auditor's opinion is not modified in respect of the matter emphasized.

① Separate heading EOM
② Brief description of the matter
③ Reference to notes to a/cs
④ St. that our opinion is not modified

Draft

May 22

- EOM → definitation.
- EOM – Effects of fire in Co's factory

We draw attention to Note Y of the FS, which describes the effects of a fire in the Co's factory. Our opinion is not modified in respect to the matter.

यहाँ पर → 705 / 701 / 706 [EOM/OM]

OM → important auditor's report responsibility & audit
→ disclosed in FS (x)

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Companies Sec 143

Examples of → EOM:-

(non disclosure → MMS → SA705.)

1. An uncertainty relating to future outcome of exceptional litigation or regulatory action.
2. A significant subsequent event that occurs betw^n the date of the FS & the date of the auditor's report.
3. Early application (where permitted) of a new accounting standard that has a material effect on the FS.
4. eg → covid 19 (operation ~~of~~ of Business)
   A major catastrophe that has had, or continues to have, a significant effect on the entity's financial position.

may 22 4 marks definition

EOM in the auditor's report :-

If the auditor considers it necessary to draw user's attention to a matter presented or disclosed in the FS that, in the auditor's judgment, is of such importance that it is fundamental to user's understanding of the FS, the auditor shall include EOM in the auditor's report

Provided:- (अगर) (इन्हें छोड़कर)

(a) The auditor would not be required to modify the opinion in accordance with SA705 as a result of the matter (&)

(b) when SA-701 applies, the matter has not been determined to be a key audit matter to be communicated in the auditor's report.

The inclusion of an EOM paragraph in the auditor's report does not affect the auditor's opinion :-

An EOM paragraph (is not substitute for:-)

(a) A modified opinion in accordance with SA705 when required by the circumstances of a specific audit engagement.

(b) Disclosures in the FS that the AFRF requires mgmt to make, or that are otherwise necessary to acheive fair presentation, or

(c)

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(E) Reporting in accordance with SA570 when a material uncertainty exists relating to events or conditions that may cast significant doubt on an entity ability to continue as a going concern.

Objective of the Auditor as per SA 706:→

draw users attentions

definition of EOM, OM.

Definitation of OM paragraph:-

OM paragraph is a paragraph included in the auditor's report that refers to a matter other than those presented or disclosed in the FS that, in the auditor's judgement, is relevant to user's understanding of the audit, the auditor's responsibilities or auditor's report.

example :- Last Yr auditor = PWC & his opinion =

Separate section
When the audi
auditor's report
within a separ
appropriate hea
Indicate →

Draft
• OM paragraph
• Corresponding
been audited
opinion dated
(*) Our opinion o
matter.

OM paragraph

Dec 21

definition

If the audit
matter othe
in the FS that
understandin
as the au
matter pa
(a) This not p
(b) when SA
to be a

Communica
OM, E

SA 210

SA 200

SQC 1

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Separate section for OM paragraph :-
When the auditor includes an OM paragraph in the auditor's report, the auditor shall include the paragraph within a "Separate section" with the heading "OM", or other appropriate heading.
Indicate → modification ✗

Draft

- OM paragraph → definition
- Corresponding figures (PY's figure) of the group for the year 31/3/17 have been audited by another auditor who express unmodified opinion dated 18/4/17 on the FS of the group for the year ended 31/3/17.
- ✗ Our opinion on the FS is not modified in respect of above matter.

OM paragraph in the Auditor Report :-

Sec 21 — definition: If the auditor considers it necessary to communicate a matter other than those ~~of~~ that are presented or disclosed in the FS that, in the auditor's judgement, is relevant to users understanding of the audit, the auditor's responsibilities or the auditor's report, the auditor shall include an other matter paragraph in the auditor's report, provided:
(a) This not prohibited by L or R and;
(b) when SA 701 applies, the matter has not been determined to be a KAM to be communicated in the auditor's report.

Communication with TCWG :-
OM, EOM → included? → discuss with TCWG
By auditor (yes) · expectation & wording of paragraph