SA 810 : Engg. to Report on Summary F.S.
?

Reflect historical financial info.

- derived from FS.
- But contains less details than FS
- providing structured representation
- of entity's economic resources/obligation (assets / liab.)

at point in time (B.S.) or changes over period of time. (P&L)

Note: Accept such engg. only when auditing F.S. (from which summ. F.S. are derived)

SA 810

Engg. Acceptance → Performing → Reporting

Engg. Acceptance

① Accept only if auditing FS. as per SAs (from which summ. FS derived)

\+

② Applied criteria ~~FRF~~ is Acceptable [Est. by std. setting org. or LIR ⇒ Auditor "may" presume it to be acceptable]

(factors)

- Nature of Entity
- Purpose of FS. (general / Spl. purpose) → Info. needs of intended users of summ. FS.
  - (satark) Ensure that Summ. FS. not misleading.

③ Mgt. Responsibility (Acknowledge & understand) ⇒ Agreement

i) Preparation of Summ FS. as per ~~AFRF~~. applied criteria

ii) Make audited FS. (summ.FS) available to intended users without undue difficulty*

iii) Include AIR on Summ FS. in any doc. that contains summ. F.S.

State that auditor reported on them.

* Factors:

Describe from whom | where audited FS. are available

- Audited FS are on public record website

(OR)

- mgt has established a process by which intended users of summ. FS. can access audited FS.

II Nature of Procedures (SM)

Evaluate

1. whether summary FS. Disclose summarised nature & identify audited FS.
2. if they contain necessary info. & appt. level of aggregation ⇒ so that they are not misleading
3. if they Disclose applied criteria. Disclosure returns
4. if they are prepared as per app. criteria
5. Audited FS. are available to intended users w/o undue difficulty.

Form of opinion

(unmodified opinion)

2 options

1. Summary FS. are
   - consistent in all material respects
   - with audited FS.
   - as per applied criteria.
2. Summary FS. are
   - fair summary
   - of audited FS.
   - as per applied criteria.

⇒ If LR prescribe different wordings

- Apply procedures (discussed + further pro. if reqd.)
- Evaluate if users might misunderstand opinion &

If adding further expl^n can mitigate misunderstanding

↓

If it can't mitigate then don't accept engg. (unless reqd by LR).

I

AR on Audited FS.

- Qualified opinion
- Basis for Q opinion

AR on summary FS.

Refer

- Qualified opinion in Audited FS.
- Basis for Q opinion

(+)

- Effect on summ. FS.

II

AR on Audited FS.

- SA 570 MURG
- SA 701 KAM
- SA 706 EOM/OM

AR on summary FS.

Refer:

- MURG section in AR of audited FS

(+)

- Effect on summary FS.

III

AR on audited FS

Other info.
M.M. for other info.
(Annual Report)

AR on summary FS.

Refer:

- M.M. for other info. of Audited FS.

+

Effect on Doc. containing Summ. FS & AR on Summ FS.

IV

AR on audited FS.

- Adverse/Disclaimer of opinion
- Basis for A/D opinion

material + pervasive (poor FS standards)

AR on summary FS.

Refer:

- A/D opinion in AR audited FS.
- Basis A/D opinion

(+) Inappt. to express opinion on Summ. FS.

opinion ⊗

Auditor's Association

I.

Ideally

Document
- Summary F.S.
- +
- AIR on Summ F.S.

→

mgt Document

Summary FS ✓

AIR on summ FS ✗

↓

Request mgt to include AIR in Doc

↓

If mgt refuses, take appt. action.

II.

Auditor

- F.S. Audit ✓
- Summary FS. Audit ✗

Document
- Audited F.S.
- Summary F.S.
- AIR on Audited F.S.

⇒ Entity makes statement in Document refers to
- Auditor &
- fact that summary F.S. derived from FS. audited by auditor

↓

Be satisfied that,

a) Reference made in context of AIR on audited F.S.

&

b) Statement doesn't give impression that auditor reported on summary F.S.

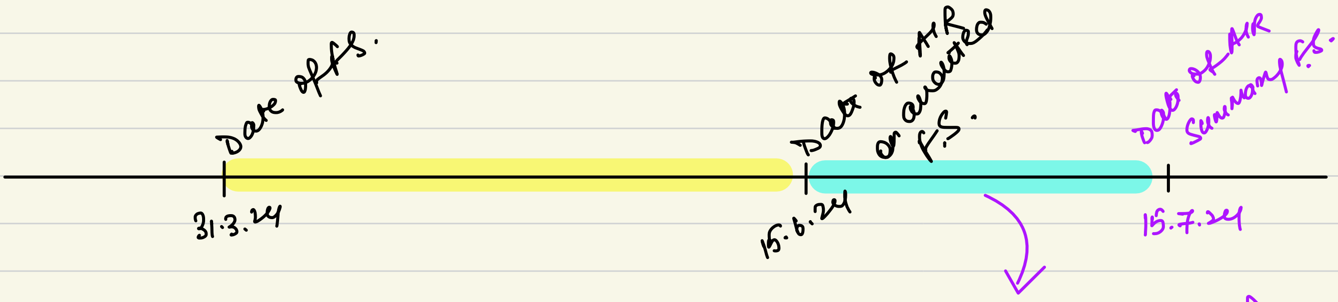
⇓

If (a) or (b) not met, request mgt to change statement / not refer to auditor in document

↓

If mgt refuses,
- state that auditor disagrees &
- take appt. action.

Subsequent Events



Subs. event considered? (AIN)

No

- When A/R on summ. F.S. is dated after A/R on audited F.S., auditor Not reqd. to:
  - obtain add^n A.E.
  - or
  - Report on effects of events subsequent to date of A/R on audited F.S.

- A/R on summ. F.S. states that summary F.S. & audited F.S. don't reflect effects of events subsequent to date of A/R on audited F.S.

(Pareshani) Auditor may become aware of facts that

- Existed at date of A/R on audited F.S
- But auditor wasn't aware.

⇒ So, consider such facts as per SA560, for audited F.S.

⇒ Then issue A/R on summary F.S.