

Chapter - 8 "Specialised Areas"

(3) SA 810: Engagements to Reports on Summary F.S.: (SFS)

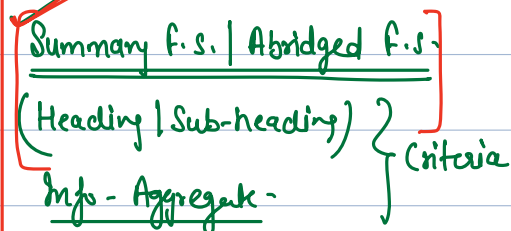
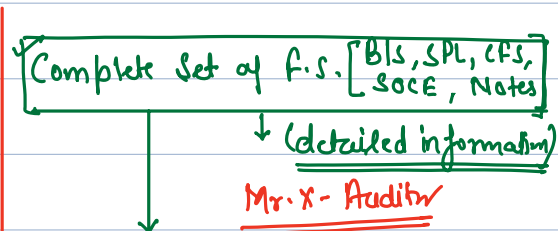
(i) Meaning of SFS:

Historical financial information that is derived from financial statements, but contains less detail than financial statements, while still providing a structured presentation consistent with Entity F.S.

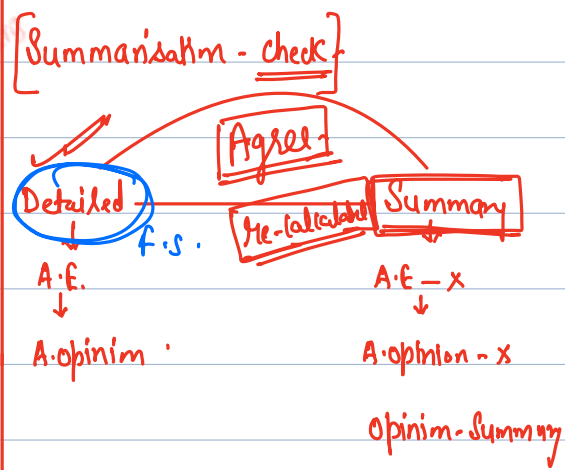
(ii) Scope of SA-810:

SA 810 deals with auditor's responsibilities when undertaking an engagement to report on Summary financial statements

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in accordance with SA 810, by same Auditor.



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Shareholder - detailed - available



(iii) Considerations for Engagement Acceptance:

(A) Accept the engagement only when also engaged to audit those F.S. from which SFS have been derived. (i.e. Same Auditor)

(B) Before accepting the engagement, auditor shall:

(a) Determine acceptability of applied criteria;

(b) Obtain agreement of management that management acknowledge and understand its responsibilities:

(i) For prepⁿ of Summary F.S.;

(ii) To make available audited F.S. to intended user; and

(iii) To include auditor's report on SFS in any document that

Continuing SFS.

(c) Agree with the management the form of opinion to be expressed in SFS.

(iv) Applied Criteria: Criteria applied by the management in prepⁿ of SFS. It may be:

- ✓ (a) Established Criteria: Criteria established by authorised standard setting Organisation.
- ✓ (b) Developed Criteria: Criteria developed by Entity's Mngt, (based on industry practices)

Note: If Auditor concludes that applied criteria is unacceptable, Auditor should not accept the engagement.

Factors affecting auditor's determination of acceptability of applied criteria:

- (a) Nature of Entity;
- (b) Purpose of SFS;
- (c) Information needs of intended users of SFS;
- (d) whether applied criteria will result in SFS that are not misleading in the circumstances.

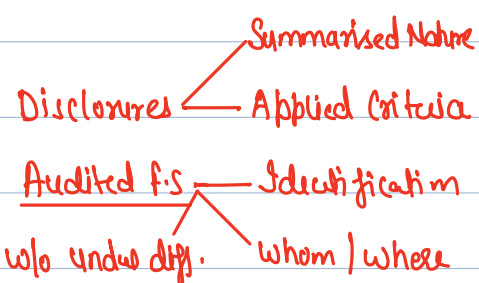
(v) Nature of procedures:

(A) Evaluations: Auditor shall evaluate:

(i) whether SFS adequately disclose their summarised nature and identify the audited f.s.;

(ii) If SFS are not accompanied by audited f.s., whether SFS clearly describe from whom or where audited f.s. are available.

(iii) whether SFS adequately disclose the applied criteria.



SFS - prepⁿ - applied criteria. | (iv) Whether SFS are prepared in accordance with applied criteria.

(v) Whether SFS contains necessary information.

(vi) Whether audited f.s. are available to intended users without undue difficulty.

(B) Comparison: Auditor shall compare the SFS with related information in audited f.s., to determine



Whether SFS agree with or can be re-calculated from related information in audited f.s.

(vii) Forming an opinion and Reporting:

Auditor shall express unmodified opinion, if:

(a) SFS are consistent in all material respects with audited f.s. in accordance with applied criteria; or (compliance framework)

(b) SFS are a fair summary of audited f.s. in accordance with applied criteria. (Fair Presentation framework)

Note: If SFS are not consistent with audited f.s.; and mgmt. refuses to make necessary changes requested by auditor; auditor shall express adverse opinion on summary f.s.

Elements of auditor's report: - Reading from book -

Imp Special Cases:

I. Auditor's report on audited F.S.

includes - Qualified opinion;
- EOM Para / OM Para

✓ SFS are consistent with audited F.S.

Auditor's report on SFS shall state that auditor's report on audited F.S. contains Qualified opinion / EOM Para / OM Para; and described

- Basis for Qualified opinion and Qualified opinion;
- ✓ EOM Para / OM Para; and
- Effects thereof on SFS, if any.

II. Imp Auditor's report on audited F.S.

contains Adverse opinion or Disclaimer of opinion.

Auditor's report on SFS shall include the following:

- (a) Statement that auditor's report on audited F.S. contains adverse opinion or disclaimer of opinion.
- (b) Description of basis of such opinion.
- (c) Statement that as a result of adverse opinion or disclaimer of opinion on audited F.S., it is inappropriate to express an opinion on SFS.