

PROPOSED INTERNATIONAL STANDARD ON AUDITING 810 (REVISED)
**ENGAGEMENTS TO REPORT ON SUMMARY
 FINANCIAL STATEMENTS**

(Effective for engagements for periods
 beginning ending on or after ~~December 15, 2009~~[date])

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Proposed International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*, should be read in conjunction with ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*.

Introduction

Scope of this ISA

1. This International Standard on Auditing (ISA) deals with the auditor's responsibilities relating to an engagement to report on summary financial statements derived from financial statements audited in accordance with ISAs by that same auditor.

Effective Date

2. This ISA is effective for engagements for periods beginning/ending on or after [date] ~~December 15, 2009~~.

Objectives

3. The objectives of the auditor are:
 - (a) To determine whether it is appropriate to accept the engagement to report on summary financial statements; and
 - (b) If engaged to report on summary financial statements:
 - (i) To form an opinion on the summary financial statements based on an evaluation of the conclusions drawn from the evidence obtained; and
 - (ii) To express clearly that opinion through a written report that also describes the basis for that opinion.

Definitions

4. For purposes of this ISA, the following terms have the meanings attributed below:
 - (a) Applied criteria – The criteria applied by management in the preparation of the summary financial statements.
 - (b) Audited financial statements – Financial statements¹ audited by the auditor in accordance with ISAs, and from which the summary financial statements are derived.
 - (c) Summary financial statements – Historical financial information, including disclosures, that is derived from financial statements but that contains less detail than the financial statements, while still providing a structured representation consistent with that provided by the financial statements of the entity's economic resources or obligations at a point in time or the changes therein for a period of time.² Different jurisdictions may use different terminology to describe such historical financial information. **[See Agenda Item 5-A]**

Requirements

Engagement Acceptance

¹ ISA 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*, paragraph 13(f), defines the term "financial statements."

² ISA 200, paragraph 13(f)

5. The auditor shall accept an engagement to report on summary financial statements in accordance with this ISA only when the auditor has been engaged to conduct an audit in accordance with ISAs of the financial statements from which the summary financial statements are derived. (Ref: Para. A1)
6. Before accepting an engagement to report on summary financial statements, the auditor shall: (Ref: Para. A2)
 - (a) Determine whether the applied criteria are acceptable; (Ref: Para. A3–A7)
 - (b) Obtain the agreement of management that it acknowledges and understands its responsibility:
 - (i) For the preparation of the summary financial statements in accordance with the applied criteria;
 - (ii) To make the audited financial statements available to the intended users of the summary financial statements without undue difficulty (or, if law or regulation provides that the audited financial statements need not be made available to the intended users of the summary financial statements and establishes the criteria for the preparation of the summary financial statements, to describe that law or regulation in the summary financial statements); and
 - (iii) To include the auditor’s report on the summary financial statements in any document that contains the summary financial statements and that indicates that the auditor has reported on them.
 - (c) Agree with management the form of opinion to be expressed on the summary financial statements (see paragraphs 9–11).
7. If the auditor concludes that the applied criteria are unacceptable or is unable to obtain the agreement of management set out in paragraph 6(b), the auditor shall not accept the engagement to report on the summary financial statements, unless required by law or regulation to do so. An engagement conducted in accordance with such law or regulation does not comply with this ISA. Accordingly, the auditor’s report on the summary financial statements shall not indicate that the engagement was conducted in accordance with this ISA. The auditor shall include appropriate reference to this fact in the terms of the engagement. The auditor shall also determine the effect that this may have on the engagement to audit the financial statements from which the summary financial statements are derived.

Nature of Procedures

8. The auditor shall perform the following procedures, and any other procedures that the auditor may consider necessary, as the basis for the auditor’s opinion on the summary financial statements:
 - (a) Evaluate whether the summary financial statements adequately disclose their summarized nature and identify the audited financial statements.
 - (b) When summary financial statements are not accompanied by the audited financial statements, evaluate whether they describe clearly:
 - (i) From whom or where the audited financial statements are available; or

- (ii) The law or regulation that specifies that the audited financial statements need not be made available to the intended users of the summary financial statements and establishes the criteria for the preparation of the summary financial statements.
- (c) Evaluate whether the summary financial statements adequately disclose the applied criteria.
- (d) Compare the summary financial statements with the related information in the audited financial statements to determine whether the summary financial statements agree with or can be recalculated from the related information in the audited financial statements.
- (e) Evaluate whether the summary financial statements are prepared in accordance with the applied criteria.
- (f) Evaluate, in view of the purpose of the summary financial statements, whether the summary financial statements contain the information necessary, and are at an appropriate level of aggregation, so as not to be misleading in the circumstances.
- (g) Evaluate whether the audited financial statements are available to the intended users of the summary financial statements without undue difficulty, unless law or regulation provides that they need not be made available and establishes the criteria for the preparation of the summary financial statements. (Ref: Para. A8)

Form of Opinion

- 9. When the auditor has concluded that an unmodified opinion on the summary financial statements is appropriate, the auditor's opinion shall, unless otherwise required by law or regulation, use one of the following phrases: (Ref: Para. A9)
 - (a) The summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with [the applied criteria]; or
 - (b) The summary financial statements are a fair summary of the audited financial statements, in accordance with [the applied criteria].
- 10. If law or regulation prescribes the wording of the opinion on summary financial statements in terms that are different from those described in paragraph 9, the auditor shall:
 - (a) Apply the procedures described in paragraph 8 and any further procedures necessary to enable the auditor to express the prescribed opinion; and
 - (b) Evaluate whether users of the summary financial statements might misunderstand the auditor's opinion on the summary financial statements and, if so, whether additional explanation in the auditor's report on the summary financial statements can mitigate possible misunderstanding.
- 11. If, in the case of paragraph 10(b), the auditor concludes that additional explanation in the auditor's report on the summary financial statements cannot mitigate possible misunderstanding, the auditor shall not accept the engagement, unless required by law or regulation to do so. An engagement conducted in accordance with such law or regulation does not comply with this ISA. Accordingly, the auditor's report on the summary financial statements shall not indicate that the engagement was conducted in accordance with this ISA.

Timing of Work and Events Subsequent to the Date of the Auditor's Report on the Audited Financial Statements

12. The auditor's report on the summary financial statements may be dated later than the date of the auditor's report on the audited financial statements. In such cases, the auditor's report on the summary financial statements shall state that the summary financial statements and audited financial statements do not reflect the effects of events that occurred subsequent to the date of the auditor's report on the audited financial statements that may require adjustment of, or disclosure in, the audited financial statements. (Ref: Para. A10)
13. The auditor may become aware of facts that existed at the date of the auditor's report on the audited financial statements, but of which the auditor previously was unaware. In such cases, the auditor shall not issue the auditor's report on the summary financial statements until the auditor's consideration of such facts in relation to the audited financial statements in accordance with ISA 560³ has been completed.

Auditor's Report on Summary Financial Statements

Elements of the Auditor's Report

14. The auditor's report on summary financial statements shall include the following elements:⁴ (Ref: Para. A1145)
 - (a) A title clearly indicating it as the report of an independent auditor. (Ref: Para. A1244)
 - (b) An addressee, as appropriate, based on the circumstances of the engagement. (Ref: Para. A1342)
 - (c) As the first section, the auditor's opinion (see paragraphs 9–11) with the heading titled "Opinion". An introductory The Opinion section shall paragraph that also:
 - (i) Identifies the summary financial statements on which the auditor is reporting, including the title of each statement included in the summary financial statements; (Ref: Para. A1443)
 - (ii) Identifies the audited financial statements, and the entity whose financial statements have been audited;
 - (iii) Refers to the auditor's report on the audited financial statements, the date of that report, and, subject to paragraphs 187–198, the fact that an unmodified opinion is expressed on the audited financial statements;
 - (iv) If the date of the auditor's report on the summary financial statements is later than the date of the auditor's report on the audited financial statements, states that the summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of the auditor's report on the audited financial statements; and

³ ISA 560, *Subsequent Events*

⁴ Paragraphs 17–198, ~~which~~ deal with circumstances where the auditor's report on the audited summary financial statements has been modified, require additional elements to those listed in this paragraph. This includes when the auditor's opinion on the audited financial statements has been modified.

- (v) A statement indicating that the summary financial statements do not contain all the disclosures required by the financial reporting framework applied in the preparation of the audited financial statements, and that reading the summary financial statements and the auditor's report thereon is not a substitute for reading the audited financial statements and the auditor's report thereon; ~~and~~
- (vi) A paragraph clearly expressing an opinion (see paragraphs 9–11). ~~[Moved up from para. 14 (f)]~~
- (d) A section, directly following the Opinion section, with the heading “Basis for Opinion”, that explains that the auditor is:
- (i) ~~A statement that the auditor is r~~Responsible for expressing an opinion on the summary financial statements based on the procedures required by this ISA; and ~~[Moved up from para. 14 (e)]~~
- (ii) Independent of the entity in accordance with the relevant ethical requirements relating to the engagement to report on the summary financial statement, and has fulfilled the auditor's other ethical responsibilities in accordance with these requirements. The statement shall identify the jurisdiction of origin of the independence and other relevant ethical requirements or refer to the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants. (Ref: Para. A15)
- ~~(d)(e)~~ A section with a heading titled “Responsibility of Management for the Summary Financial Statements” that includes ~~A~~ description of management's⁵ responsibility for the summary financial statements, explaining that management⁶ is responsible for the preparation of the summary financial statements in accordance with the applied criteria. The auditor's report shall use the term that is appropriate in the context of the legal framework in the particular jurisdiction and need not refer specifically to “management”. In some jurisdictions, the appropriate reference may be to those charged with governance. ~~A statement that the auditor is responsible for expressing an opinion on the summary financial statements based on the procedures required by this ISA.~~ ~~[Moved up to para 14(d)(i) above].~~
- ~~(d)~~ ~~A paragraph clearly expressing an opinion (see paragraphs 9–11).~~ ~~[Moved up to para 14 (c)(vi) above].~~
- (f) For engagements to report on summary financial statements of listed entities, the name of the engagement partner, unless the name of the engagement partner was not included in the auditor's report on the audited financial statements.⁷ (Ref: Para. A16)
- ~~(f)(g)~~ The auditor's signature.
- ~~(g)(h)~~ The auditor's address. ~~[Changed ordering to be consistent with proposed ISA 700 (Revised)]~~
- ~~(h)(i)~~ The date of the auditor's report. (Ref: Para. A1744)

⁵ ~~Or other term that is appropriate in the context of the legal framework in the particular jurisdiction~~

⁶ Or other term that is appropriate in the context of the legal framework in the particular jurisdiction

⁷ See paragraphs 46, and A59 – A61 of proposed ISA 700 (Revised), *Forming an Opinion and Reporting on Financial Statements*

15. If the addressee of the summary financial statements is not the same as the addressee of the auditor's report on the audited financial statements, the auditor shall evaluate the appropriateness of using a different addressee. (Ref: Para. A1342)
16. The auditor shall date the auditor's report on the summary financial statements no earlier than: (Ref: Para. A1744)
 - (a) The date on which the auditor has obtained sufficient appropriate evidence on which to base the opinion, including evidence that the summary financial statements have been prepared and those with the recognized authority have asserted that they have taken responsibility for them; and
 - (b) The date of the auditor's report on the audited financial statements.

Additional Information Contained in the Auditor's Report on the Audited Financial Statements

17. When the auditor's report on the audited financial statements contains additional information, the auditor's report on the summary financial statements shall, in addition to the elements in paragraph 14: (Ref: Para. A11, A18)
 - (a) If applicable, state that the auditor's report on the audited financial statements contains a "Material Uncertainty Related to Going Concern" section that highlights the existence of a material uncertainty and describe the basis for that section and the effect thereof on the summary financial statements.
 - (b) When the auditor's report on the audited financial statements contains ~~a qualified opinion~~, an Emphasis of Matter paragraph, or an Other Matter paragraph, ~~but and~~ the auditor is satisfied that the summary financial statements are consistent, in all material respects, with or are a fair summary of the audited financial statements, in accordance with the applied criteria, the auditor's report on the summary financial statements shall:
 - (i) ~~State Explain~~ that the auditor's report on the audited financial statements contains ~~a qualified opinion~~, an Emphasis of Matter paragraph, or an Other Matter paragraph; and
 - (ii) ~~Describe: T~~the basis for ~~the qualified opinion on the audited financial statements, and that qualified opinion; or~~ the Emphasis of Matter or the Other Matter paragraph in the auditor's report on the audited financial statements; and ~~T~~the effect thereof on the summary financial statements, if any.
 - (c) If applicable, explain that the auditor's report on the audited financial statements includes the communication of key audit matters, and include the title of each subheading required by paragraph 11 of proposed ISA 701⁸ -to indicate the matters communicated.
 - (d) If applicable, state that the auditor's report on the audited financial statements includes the communication of the existence of an uncorrected material misstatement of the other information in accordance with proposed ISA 720 (Revised).⁹ [Placeholder for other information. See **Agenda Item 5-A**]
 - (e) If different from the engagement partner on the engagement to report on the summary financial statements as identified at paragraph 14(f) of this ISA, include a statement about the

⁸ Proposed ISA 701, *Communicating Key Audit Matters in the Independent Auditor's Report*

⁹ Proposed ISA 720 (Revised), *The Auditor's Responsibilities Relating to Other Information*

name of the engagement partner included in the auditor's report on the audited financial statements.

Modifications to the Opinion, ~~Emphasis of Matter Paragraph or Other Matter Paragraph~~ in the Auditor's Report on the Audited Financial Statements

187. When the auditor's report on the audited financial statements contains a qualified opinion, ~~an Emphasis of Matter paragraph, or an Other Matter paragraph~~, but the auditor is satisfied that the summary financial statements are consistent, in all material respects, with or are a fair summary of the audited financial statements, in accordance with the applied criteria, the auditor's report on the summary financial statements shall, in addition to the elements in paragraphs 14 and 17: (Ref: Para. A1145)

- (a) State that the auditor's report on the audited financial statements contains a qualified opinion, ~~an Emphasis of Matter paragraph, or an Other Matter paragraph~~; and
- (b) Describe:
 - (i) The basis for the qualified opinion on the audited financial statements, and that qualified opinion; ~~or the Emphasis of Matter or the Other Matter paragraph~~ in the auditor's report on the audited financial statements; and
 - (ii) The effect thereof on the summary financial statements, if any.

198. When the auditor's report on the audited financial statements contains an adverse opinion or a disclaimer of opinion, the auditor's report on the summary financial statements shall, in addition to the elements in paragraphs 14 and 17:

- (a) State that the auditor's report on the audited financial statements contains an adverse opinion or disclaimer of opinion;
- (b) Describe the basis for that adverse opinion or disclaimer of opinion; and
- (c) State that, as a result of the adverse opinion or disclaimer of opinion, it is inappropriate to express an opinion on the summary financial statements.

Modified Opinion on the Summary Financial Statements

4920. If the summary financial statements are not consistent, in all material respects, with or are not a fair summary of the audited financial statements, in accordance with the applied criteria, and management does not agree to make the necessary changes, the auditor shall express an adverse opinion on the summary financial statements.

21. When the auditor modifies the auditor's opinion on the summary financial statements, the auditor shall amend:

- (a) The title of the heading of the "Opinion" section to "Adverse Opinion" or "Denial of Opinion," as appropriate;
- (b) The title of the heading "Basis for Opinion" section to "Basis for Adverse Opinion or "Basis for Denial of Opinion" as appropriate; and
- (c) When the auditor's report includes a "Denial of Opinion" section, the required statement at paragraph 14(d)(i) of this ISA to explain that the auditor's responsibility is to conduct the

[engagement to report on the summary financial statements based on the procedures required by this ISA.](#) (Ref: Para. A1145)

Restriction on Distribution or Use or Alerting Readers to the Basis of Accounting

229. When distribution or use of the auditor's report on the audited financial statements is restricted, or the auditor's report on the audited financial statements alerts readers that the audited financial statements are prepared in accordance with a special purpose framework, the auditor shall include a similar restriction or alert in the auditor's report on the summary financial statements.

Comparatives

234. If the audited financial statements contain comparatives, but the summary financial statements do not, the auditor shall determine whether such omission is reasonable in the circumstances of the engagement. The auditor shall determine the effect of an unreasonable omission on the auditor's report on the summary financial statements. (Ref: Para. A1946)

242. If the summary financial statements contain comparatives that were reported on by another auditor, the auditor's report on the summary financial statements shall also contain the matters that ISA 710 requires the auditor to include in the auditor's report on the audited financial statements.¹⁰ (Ref: Para. A2047)

Unaudited Supplementary Information Presented with Summary Financial Statements

253. The auditor shall evaluate whether any unaudited supplementary information presented with the summary financial statements is clearly differentiated from the summary financial statements. If the auditor concludes that the entity's presentation of the unaudited supplementary information is not clearly differentiated from the summary financial statements, the auditor shall ask management to change the presentation of the unaudited supplementary information. If management refuses to do so, the auditor shall explain in the auditor's report on the summary financial statements that such information is not covered by that report. (Ref: Para. A2148)

Other Information in Documents Containing Summary Financial Statements

264. The auditor shall read [and consider the](#) other information, [other than the summary financial statements,](#) included in a document containing the summary financial statements and related auditor's report to [consider whether there is identify a](#) material inconsistency [between the other information and if any,](#) with the summary financial statements. If, [on reading the other information,](#) the auditor identifies a material inconsistency, the auditor shall determine whether the summary financial statements or the other information needs to be revised. If, [on reading the other information,](#) the auditor becomes aware [of an apparent material misstatement of fact,](#) that the other information needs to be revised, the auditor shall discuss the matter with management. [Reflects conforming amendments from proposed ISA 720 (Revised) See **Agenda Item 5-A.**] (Ref: Para. A2224)

Auditor Association

275. If the auditor becomes aware that the entity plans to state that the auditor has reported on summary financial statements in a document containing the summary financial statements, but does not plan to include the related auditor's report, the auditor shall request management to include the auditor's

¹⁰ ISA 710, *Comparative Information—Corresponding Figures and Comparative Financial Statements*

report in the document. If management does not do so, the auditor shall determine and carry out other appropriate actions designed to prevent management from inappropriately associating the auditor with the summary financial statements in that document. (Ref: Para. A2320)

286. The auditor may be engaged to report on the financial statements of an entity, while not engaged to report on the summary financial statements. If, in this case, the auditor becomes aware that the entity plans to make a statement in a document that refers to the auditor and the fact that summary financial statements are derived from the financial statements audited by the auditor, the auditor shall be satisfied that:

- (a) The reference to the auditor is made in the context of the auditor's report on the audited financial statements; and
- (b) The statement does not give the impression that the auditor has reported on the summary financial statements.

If (a) or (b) are not met, the auditor shall request management to change the statement to meet them, or not to refer to the auditor in the document. Alternatively, the entity may engage the auditor to report on the summary financial statements and include the related auditor's report in the document. If management does not change the statement, delete the reference to the auditor, or include an auditor's report on the summary financial statements in the document containing the summary financial statements, the auditor shall advise management that the auditor disagrees with the reference to the auditor, and the auditor shall determine and carry out other appropriate actions designed to prevent management from inappropriately referring to the auditor. (Ref: Para. A2320)

Application and Other Explanatory Material

Engagement Acceptance (Ref: Para. 5–6)

- A1. The audit of the financial statements from which the summary financial statements are derived provides the auditor with the necessary knowledge to discharge the auditor's responsibilities in relation to the summary financial statements in accordance with this ISA. Application of this ISA will not provide sufficient appropriate evidence on which to base the opinion on the summary financial statements if the auditor has not also audited the financial statements from which the summary financial statements are derived.
- A2. Management's agreement with the matters described in paragraph 6 may be evidenced by its written acceptance of the terms of the engagement.

Criteria (Ref: Para. 6(a))

- A3. The preparation of summary financial statements requires management to determine the information that needs to be reflected in the summary financial statements so that they are consistent, in all material respects, with or represent a fair summary of the audited financial statements. Because summary financial statements by their nature contain aggregated information and limited disclosure, there is an increased risk that they may not contain the information necessary so as not to be misleading in the circumstances. This risk increases when established criteria for the preparation of summary financial statements do not exist.

- A4. Factors that may affect the auditor's determination of the acceptability of the applied criteria include:
- The nature of the entity;
 - The purpose of the summary financial statements;
 - The information needs of the intended users of the summary financial statements; and
 - Whether the applied criteria will result in summary financial statements that are not misleading in the circumstances.
- A5. The criteria for the preparation of summary financial statements may be established by an authorized or recognized standards setting organization or by law or regulation. Similar to the case of financial statements, as explained in ISA 210,¹¹ in many such cases, the auditor may presume that such criteria are acceptable.
- A6. Where established criteria for the preparation of summary financial statements do not exist, criteria may be developed by management, for example, based on practice in a particular industry. Criteria that are acceptable in the circumstances will result in summary financial statements that:
- (a) Adequately disclose their summarized nature and identify the audited financial statements;
 - (b) Clearly describe from whom or where the audited financial statements are available or, if law or regulation provides that the audited financial statements need not be made available to the intended users of the summary financial statements and establishes the criteria for the preparation of the summary financial statements, that law or regulation;
 - (c) Adequately disclose the applied criteria;
 - (d) Agree with or can be recalculated from the related information in the audited financial statements; and
 - (e) In view of the purpose of the summary financial statements, contain the information necessary, and are at an appropriate level of aggregation, so as not to be misleading in the circumstances.
- A7. Adequate disclosure of the summarized nature of the summary financial statements and the identity of the audited financial statements, as referred to in paragraph A6(a), may, for example, be provided by a title such as "Summary Financial Statements Prepared from the Audited Financial Statements for the Year Ended December 31, 20X1."

Evaluating the Availability of the Audited Financial Statements (Ref: Para. 8(g))

- A8. The auditor's evaluation whether the audited financial statements are available to the intended users of the summary financial statements without undue difficulty is affected by factors such as whether:
- The summary financial statements describe clearly from whom or where the audited financial statements are available;
 - The audited financial statements are on public record; or

¹¹ ISA 210, *Agreeing the Terms of Audit Engagements*, paragraphs A3 and A8–A9

- Management has established a process by which the intended users of the summary financial statements can obtain ready access to the audited financial statements.

Form of Opinion (Ref: Para. 9)

A9. A conclusion, based on an evaluation of the evidence obtained by performing the procedures in paragraph 8, that an unmodified opinion on the summary financial statements is appropriate enables the auditor to express an opinion containing one of the phrases in paragraph 9. The auditor's decision as to which of the phrases to use may be affected by generally accepted practice in the particular jurisdiction.

Timing of Work and Events Subsequent to the Date of the Auditor's Report on the Audited Financial Statements (Ref: Para. 12)

A10. The procedures described in paragraph 8 are often performed during or immediately after the audit of the financial statements. When the auditor reports on the summary financial statements after the completion of the audit of the financial statements, the auditor is not required to obtain additional audit evidence on the audited financial statements, or report on the effects of events that occurred subsequent to the date of the auditor's report on the audited financial statements since the summary financial statements are derived from the audited financial statements and do not update them.

Auditor's Report on Summary Financial Statements

Elements of the Auditor's Report

Illustrations (Ref: Para.14, 17–18, 19)

A15.A11. The Appendix to this ISA contains illustrations of auditors' reports on summary financial statements that:

- (a) Contain unmodified opinions;
- (b) Are derived from audited financial statements on which the auditor issued modified opinions [or include additional information contained in the auditor's report on the audited financial statements](#); and
- (c) Contain a modified opinion.

Title (Ref: Para. 14(a))

A14.A12. A title indicating the report is the report of an independent auditor, for example, "[Report of the Independent Auditor on the Summary Financial Statements](#)," ~~affirms that the auditor has met all of the relevant ethical requirements regarding independence. This~~ distinguishes the [independent auditor's report of the independent auditor](#) from reports issued by others.

Addressee (Ref: Para. 14(b), 15)

A12A13. Factors that may affect the auditor's evaluation of the appropriateness of the addressee of the summary financial statements include the terms of the engagement, the nature of the entity, and the purpose of the summary financial statements.

Introductory Paragraph Opinion Section (Ref: Para. 14(c)(i))

A13A14. When the auditor is aware that the summary financial statements will be included in a document that contains other information, the auditor may consider, if the form of presentation allows, identifying the page numbers on which the summary financial statements are presented. This helps readers to identify the summary financial statements to which the auditor's report relates.

Basis for Opinion (Ref: Para. 14(d)(ii))

A15. In determining the appropriate amount of information to include in the auditor's report on the summary financial statements when there are multiple sources of relevant ethical requirements relating to the engagement to report on the summary financial statements, proposed ISA 700 (Revised)¹² may provide helpful guidance.

Naming of the Engagement Partner (Ref: Para. 14(f))

A16. Paragraph 14(f) of this ISA requires the auditor to include the name of the engagement partner on the engagement to report on the summary financial statements of listed entities, unless the name of the engagement partner was not included in the auditor's report on the audited financial statements. Proposed ISA 700 (Revised)¹³ explains that the name of the engagement partner is not included in the auditor's report in rare circumstances when the disclosure is reasonably expected to lead to a significant personal security threat, and includes guidance that is relevant to the application of requirement to name the engagement partner in the auditor's report on the audited financial statements of listed entities. Adapted as necessary, that guidance may be relevant when the auditor is engaged to report on summary financial statements.

Date of the Auditor's Report (Ref: Para. 14(jh), 16)

A14A17. The person or persons with recognized authority to conclude that the summary financial statements have been prepared and take responsibility for them depend on the terms of the engagement, the nature of the entity, and the purpose of the summary financial statements.

Additional Information Contained in the Auditor's Report on the Audited Financial Statements (Ref: Para. 17)

A18. The auditor's report on the summary financial statements is required to include a statement that reading the summary financial statements and the auditor's report thereon is not a substitute for reading the audited financial statements and the auditor's report thereon (see Paragraph 14(c)(iv) of this ISA. Having reference to the matters that are included in the auditor's report on the audited financial statements (for example, key audit matters, a material uncertainty related to going concern and other matters at paragraph 17 of this ISA) in the auditor's report on the summary financial statements highlights information to users that may be necessary to understand important matters in the audited financial statements.

Comparatives (Ref: Para. 232–243)

A16A19. If the audited financial statements contain comparatives, there is a presumption that the summary financial statements also would contain comparatives. Comparatives in the audited

¹² Proposed ISA 700 (Revised), paragraphs A32, and A34–A39

¹³ Proposed ISA 700 (Revised), paragraphs 46, and A59–A61

financial statements may be regarded as corresponding figures or as comparative financial information. ISA 710 describes how this difference affects the auditor's report on the financial statements, including, in particular, reference to other auditors who audited the financial statements for the prior period.

~~A17A20.~~ Circumstances that may affect the auditor's determination whether an omission of comparatives is reasonable include the nature and objective of the summary financial statements, the applied criteria, and the information needs of the intended users of the summary financial statements.

Unaudited Supplementary Information Presented with Summary Financial Statements (Ref: Para. 254)

~~A18A21.~~ Proposed ISA 700 (Revised)¹⁴ contains requirements and guidance to be applied when unaudited supplementary information is presented with audited financial statements that, adapted as necessary in the circumstances, may be helpful in applying the requirement in paragraph 254.

Other Information in Documents Containing Summary Financial Statements (Ref: Para. 265)

~~A22A9.~~ Proposed ISA 720¹⁵ (Revised) contains requirements and guidance regarding the auditor's responsibilities relating to reading other information in a financial statement audit engagement~~included in a document containing the audited financial statements and related auditor's report, and responding to material inconsistencies and material misstatements of fact.~~ Adapted as necessary in the circumstances, they may be helpful in applying the requirement in paragraph 264. ~~[Reflects conforming amendments from proposed ISA 720 (Revised) See Agenda Item 5-A.]~~

Auditor Association (Ref: Para. 276–287)

~~A20A23.~~ Other appropriate actions the auditor may take when management does not take the requested action may include informing the intended users and other known third-party users of the inappropriate reference to the auditor. The auditor's course of action depends on the auditor's legal rights and obligations. Consequently, the auditor may consider it appropriate to seek legal advice.

¹⁴ Proposed ISA 700 (Revised), Forming an Opinion and Reporting on Financial Statements, paragraphs 5346–5447

¹⁵ Proposed ISA 720 (Revised), The Auditor's Responsibilities Relating to Other Information

Appendix

(Ref: Para. A1145)

Illustrations of Reports on Summary Financial Statements

- Illustration 1: An auditor's report on summary financial statements [of a listed entity](#) prepared in accordance with established criteria. An unmodified opinion is expressed on the audited financial statements. The auditor's report on the summary financial statements is dated later than the date of the auditor's report on the financial statements from which summary financial statements are derived.
- Illustration 2: An auditor's report on summary financial statements [of an entity other than a listed entity](#) prepared in accordance with criteria developed by management and adequately disclosed in the summary financial statements. The auditor has determined that the applied criteria are acceptable in the circumstances. An unmodified opinion is expressed on the audited financial statements. [Ordering of illustrations have been changed from presentation in extant.]
- [Illustration 2A: An auditor's report on summary financial statements of an entity other than a listed entity prepared in accordance with established criteria. An unmodified opinion is expressed on the audited financial statements. The auditor's report on the summary financial statements is dated later than the date of the auditor's report on the financial statements from which summary financial statements are derived. A material uncertainty relating to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern has been identified in accordance with proposed ISA 570 \(Revised\)¹⁶ and included in the auditor's report on the audited financial statements.](#)
- Illustration 3: An auditor's report on summary financial statements [of an entity other than a listed entity](#) prepared in accordance with criteria developed by management and adequately disclosed in the summary financial statements. The auditor has determined that the applied criteria are acceptable in the circumstances. A qualified opinion is expressed on the audited financial statements.
- Illustration 4: An auditor's report on summary financial statements [of an entity other than a listed entity](#) prepared in accordance with criteria developed by management and adequately disclosed in the summary financial statements. The auditor has determined that the applied criteria are acceptable in the circumstances. An adverse opinion is expressed on the audited financial statements.
- Illustration 5: An auditor's report on summary financial statements [of an entity other than a listed entity](#) prepared in accordance with established criteria. An unmodified opinion is expressed on the audited financial statements. The auditor concludes that it is not possible to express an unmodified opinion on the summary financial statements.

¹⁶ [Proposed ISA 570 \(Revised\), Going Concern](#)

Illustration 1: An auditor's report on summary financial statements of a listed entity prepared in accordance with established criteria.

For purposes of this illustrative auditor's report, the following Circumstances include the following are assumed:

- An unmodified (i.e., “clean”) opinion is expressed on the audited financial statements.
- Established criteria for the preparation of summary financial statements exist.
- The auditor's report on the summary financial statements is dated later than the date of the auditor's report on the financial statements from which the summary financial statements are derived.
- The International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants comprises the relevant ethical requirements that apply to the engagement to report on the summary financial statements.
- The auditor's report on the audited financial statements does not contain a “Material Uncertainty Related to Going Concern” section that highlights the existence of a material uncertainty in accordance with proposed ISA 570 (Revised).⁴⁷
- The auditor's report on the audited financial statements does not contain an Emphasis of Matter or Other Matter paragraph.
- Key audit matters have been communicated in accordance with proposed ISA 701 in the auditor's report on the audited financial statements.
- No other information has been obtained at the date of the auditor's report on the audited financial statements, or the auditor's report on the summary financial statements. [Placeholder for other information. See **Agenda Item 5-A**]
- The engagement partner on the engagement to report on the summary financial statements is different from the engagement partner on the audit of the financial statements.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of ABC Company [or Appropriate Addressee]

Opinion [Opinion section heading repositioned to match presentation in proposed ISA 700 (Revised)]

The accompanying summary financial statements, which comprise the summary ~~balance sheet~~ statement of financial position as at December 31, 20X1, the summary ~~income~~ statement of comprehensive income, the summary statement of changes in equity and ~~the~~ summary ~~cash flow~~ statement of cash flows for the year then ended, and ~~related~~ notes to the financial statements, including a summary of significant accounting policies, are derived from the audited financial statements of ABC Company (the Company) for the year ended December 31, 20X1. We expressed an unmodified audit opinion on those financial statements in our report dated February 15, 20X2. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

⁴⁷ Proposed ISA 570 (Revised), Going Concern

In our opinion, the summary financial statements derived from the audited financial statements of [ABC the Company](#) for the year ended December 31, 20X1 are consistent, in all material respects, with (or a fair summary of) those financial statements, in accordance with [*describe established criteria*].

The summary financial statements do not contain all the disclosures required by [*describe financial reporting framework applied in the preparation of the audited financial statements of ABCthe Company*]. Reading the summary financial statements [and this report](#), therefore, is not a substitute for reading the audited financial statements of [the ABC-Company and the auditor's report thereon](#).

Basis for Opinion

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were We conducted our procedures in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements. Our responsibility is to express an opinion on the summary financial statements based on these procedures. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and have fulfilled our other ethical responsibilities in accordance with the IESBA Code.~~ [The first and second sentences are adapted from the sentence in the Auditor's Responsibility section of the extant ISA 810.]

Responsibility of Management's¹⁸ Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with [*describe established criteria*].

Auditor's Responsibility

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.~~ [This para. is now subsumed into the BfO section above.]

Additional Information Contained in the Auditor's Report on the Audited Financial Statements

~~We draw attention to the existence of the following matters contained in the auditor's report on the Company's audited financial statements. As noted above, reading this report is not a substitute for reading the auditor's report on those audited financial statements.~~

Key Audit Matters

~~Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. The key audit matters communicated in the auditor's report on the Company's audited financial statements relate to: [*list sub-headings within the Key Audit Matters section of the auditor's report on the audited financial statements*].~~

~~The engagement partner on the engagement for the summary financial statements of the Company resulting in this independent auditor's report is [*name*]. The engagement partner on the audit resulting in the independent auditor's report on the audited financial statements is [*name*].~~

¹⁸ Or other term that is appropriate in the context of the legal framework in the particular jurisdiction

~~[Auditor's signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate for the particular jurisdiction]~~

[Auditor's address] [The placement of the address and date has been reversed.]

~~[Date of the auditor's report]~~

Illustration 2: An auditor's report on summary financial statements of an entity other than a listed entity prepared in accordance with criteria developed by management and adequately disclosed in the summary financial statements.

For purposes of this illustrative auditor's report, the following Ccircumstances ~~include the following~~are assumed:

- An unmodified (i.e., “clean”) opinion is expressed on the audited financial statements.
- Criteria are developed by management and adequately disclosed in Note X. The auditor has determined that the criteria are acceptable in the circumstances.
- The relevant ethical requirements that apply to the engagement to report on the summary financial statements are those of the jurisdiction.
- The auditor's report on the audited financial statements does not contain an Emphasis of Matter or Other Matter paragraph.
- The auditor's report on the audited financial statements does not contain a “Material Uncertainty Related to Going Concern” section that highlights the existence of a material uncertainty in accordance with proposed ISA 570 (Revised).
- The auditor has not communicated key audit matters in accordance with proposed ISA 701 in the auditor's report on the audited financial statements.
- No other information has been obtained at the date of the auditor's report on the audited financial statements, or the auditor's report on the summary financial statements. [Placeholder for other information. See **Agenda Item 5-A**]

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of ABC Company [or Appropriate Addressee]

Opinion [Opinion section heading repositioned to match presentation in proposed ISA 700 (Revised)]

The accompanying summary financial statements, which comprise the summary ~~balance sheet statement of financial position~~ as at December 31, 20X1, the summary ~~income~~ statement of comprehensive income, ~~the~~ summary statement of changes in equity and ~~the~~ summary ~~cash flow~~ statement of cash flows for the year then ended, and ~~related~~ notes to the financial statements including a summary of significant accounting policies, are derived from the audited financial statements of ABC Company (the Company) for the year ended December 31, 20X1. We expressed an unmodified audit opinion on those financial statements in our report dated February 15, 20X2.¹⁹

In our opinion, the summary financial statements derived from the audited financial statements of the Company for the year ended December 31, 20X1 are consistent, in all material respects, with (or *a fair summary of*) those financial statements, on the basis described in Note X.

¹⁹ When the auditor's report on the summary financial statements is dated later than the date of the auditor's report on the audited financial statements from which it is derived, the following sentence is added to this paragraph: “Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.”

The summary financial statements do not contain all the disclosures required by [describe financial reporting framework applied in the preparation of the audited financial statements of ABC-the Company]. Reading this report and the summary financial statements, therefore, is not a substitute for reading the audited financial statements of ABCthe Company and the auditor's report thereon.

Basis for Opinion

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were We~~ conducted our procedures in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*. Our responsibility is to express an opinion on the summary financial statements based on these procedures. We are independent of the Company in accordance with the ethical requirements that are relevant to our engagement to report on the summary financial statements in [jurisdiction] and have fulfilled our other ethical responsibilities in accordance with these requirements. [The first and second sentences are adapted from the sentence in the Auditor's Responsibility section in extant ISA 810].

Responsibility of Management's²⁰ Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Note X.

Auditor's Responsibility

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.~~

[Auditor's sSignature in the name of the audit firm, the personal name of the auditor, or both, as appropriate for the particular jurisdiction]

[Auditor's address] [The placement of the address and date has been reversed.]

[Date of the auditor's report]

²⁰ Or other term that is appropriate in the context of the legal framework in the particular jurisdiction

Illustration 2A: An auditor's report on summary financial statements of an entity other than a listed entity prepared in accordance with established criteria.

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- An unmodified (i.e., "clean") opinion is expressed on the audited financial statements.
- Established criteria for the preparation of summary financial statements exist.
- The auditor's report on the summary financial statements is dated later than the date of the auditor's report on the financial statements from which the summary financial statements are derived.
- The relevant ethical requirements that apply to the engagement to report on the summary financial statements are those of the jurisdiction.
- The auditor's report on the audited financial statements does not contain an Emphasis of Matter or Other Matter paragraph.
- The auditor's report on the audited financial statements contains a "Material Uncertainty Related to Going Concern" section that highlights the existence of a material uncertainty in accordance with proposed ISA 570 (Revised). The disclosure of the material uncertainty in the audited and summary financial statements is adequate.
- The auditor has not communicated key audit matters in accordance with proposed ISA 701 in the auditor's report on the audited financial statements.
- An uncorrected material misstatement of the other information has been included in the auditor's report on the audited financial statements in accordance with proposed ISA 720 (Revised). No other information has been obtained at the date of the auditor's report on the summary financial statements. [Placeholder for other information. See **Agenda Item 5-A**]

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of ABC Company [or Appropriate Addressee]

Opinion

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 20X1, the summary statement of comprehensive income, the summary statement of changes in equity and the summary statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, are derived from the audited financial statements of ABC Company (the Company) for the year ended December 31, 20X1. We expressed an unmodified audit opinion on those financial statements in our report dated February 15, 20X2. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

In our opinion, the summary financial statements derived from the audited financial statements of the Company for the year ended December 31, 20X1 are consistent, in all material respects, with (or a fair summary of) those financial statements, in accordance with [describe established criteria].

The summary financial statements do not contain all the disclosures required by [describe financial reporting framework applied in the preparation of the audited financial statements of the Company]. Reading the

summary financial statements and this report, therefore, is not a substitute for reading the audited financial statements of the Company and the auditor's report thereon.

Basis for Opinion

We conducted our procedures in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*. Our responsibility is to express an opinion on the summary financial statements based on these procedures. We are independent of the Company in accordance with the ethical requirements that are relevant to our engagement to report on the summary financial statements in [jurisdiction] and have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibility of Management²¹ for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with [describe established criteria].

Additional Information Contained in the Auditor's Report on the Audited Financial Statements

-We draw attention to the existence of the following matters contained in the auditor's report on the Company's audited financial statements. As noted above, reading this report is not a substitute for reading the auditor's report on those audited financial statements.

Material Uncertainty Related to Going Concern

Our auditor's report on the audited financial statements contains a Material Uncertainty Related to Going Concern section that highlights the existence of a material uncertainty. We draw attention to Note 6 in the summary financial statements, which indicates that the Company incurred a net loss of ZZZ during the year ended December 31, 20X1 and, as of that date, the Company's current liabilities exceeded its total assets by YYY. As stated in Note 6 to the summary financial statements, these events or conditions, along with other matters as set forth in Note 6 to the summary financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion on the audited financial statements is not modified in respect of this matter.

Other Information [or another title if appropriate such as "Information other than the financial statements and auditor's report thereon"]

[Placeholder for reporting an uncorrected material misstatement of the other information has been included in the auditor's report on the audited financial statements in accordance with proposed ISA 720 (Revised). [See **Agenda Item 5-A**]

[Signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate for the particular jurisdiction]

[Auditor's address]

[Date]

²¹ Or other term that is appropriate in the context of the legal framework in the particular jurisdiction

Illustration 3: An auditor's report on summary financial statements of an entity other than a listed –entity prepared in accordance with criteria developed by management and adequately disclosed in the summary financial statements.

For purposes of this illustrative auditor's report, the following Ccircumstances include the following are assumed:

- A qualified opinion is expressed on the audited financial statements.
- Criteria are developed by management and adequately disclosed in Note X. The auditor has determined that the criteria are acceptable in the circumstances.
- The relevant ethical requirements that apply to the engagement to report on the summary financial statements are those of the jurisdiction.
- The auditor's report on the audited financial statements does not contain an Emphasis of Matter or Other Matter paragraph.
- The auditor's report on the audited financial statements does not contain a "Material Uncertainty Related to Going Concern" section that highlights the existence of a material uncertainty in accordance with proposed ISA 570 (Revised).
- The auditor has not communicated key audit matters in accordance with proposed ISA 701 in the auditor's report on the audited financial statements.
- No other information has been obtained at the date of the auditor's report on the audited financial statements, or the auditor's report on the summary financial statements. [Placeholder for other information. See **Agenda 5-A**]

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of ABC Company [or Appropriate Addressee]

Opinion [Opinion section heading repositioned to match presentation in proposed ISA 700 (Revised)]

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 20X1, the summary statement of comprehensive income, the summary statement of changes in equity and the summary statement of cash flows for the year then ended, and ~~related~~ notes to the financial statements including a summary of significant accounting policies, are derived from the audited financial statements of ABC Company (the Company) for the year ended December 31, 20X1.²² We expressed a qualified audit opinion on those financial statements in our report dated February 15, 20X2 (see below).

In our opinion, the summary financial statements derived from the audited financial statements of the ABC Company for the year ended December 31, 20X1 are consistent, in all material respects, with (or a *fair summary of*) those financial statements, on the basis described in Note X. However, the summary financial statements are misstated to the equivalent extent as the audited financial statements of ABC ~~the~~ Company for the year ended December 31, 20X1.

²² When the auditor's report on the summary financial statements is dated later than the date of the auditor's report on the audited financial statements from which it is derived, the following sentence is added to this paragraph: "Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements."

The summary financial statements do not contain all the disclosures required by [describe financial reporting framework applied in the preparation of the audited financial statements of ABCthe Company]. Reading this report and the summary financial statements, therefore, is not a substitute for reading the audited financial statements of ABC-the Company and the auditor's report thereon.

Basis for Qualified Opinion on the Audited Financial Statements

The misstatement of the audited financial statements is described in our qualified audit opinion in our report dated February 15, 20X2. Our qualified audit opinion is based on the fact that the eCompany's inventories are carried in the statement of financial position in those financial statements at xxx. Management has not stated the inventories at the lower of cost and net realizable value but has stated them solely at cost, which constitutes a departure from International Financial Reporting Standards. The company's records indicate that had management stated the inventories at the lower of cost and net realizable value, an amount of xxx would have been required to write the inventories down to their net realizable value. Accordingly, cost of sales would have been increased by xxx, and income tax, net income and shareholders' equity would have been reduced by xxx, xxx and xxx, respectively. Our qualified audit opinion states that, except for the effects of the described matter, those financial statements present fairly, in all material respects, (or *give a true and fair view of*) the financial position of ABC Company as at December 31, 20X1, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were~~ We conducted our procedures in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*. Our responsibility is to express an opinion on the summary financial statements based on these procedures. We are independent of the Company in accordance with the ethical requirements that are relevant to our engagement to report on the summary financial statements in [jurisdiction] and have fulfilled our other ethical responsibilities in accordance with these requirements. [The first and second sentences are adapted from the sentence to formed part of the Auditor's Responsibility section in extant ISA 810]

Responsibility of Management's²³ Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Note X.

²³ Or other term that is appropriate in the context of the legal framework in the particular jurisdiction

Auditor's Responsibility

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*.~~

~~[Auditor's ~~s~~Signature *in the name of the audit firm, the personal name of the auditor, or both, as appropriate for the particular jurisdiction*]~~

[Auditor's address] [The placement of the address and date has been reversed.]

[Date ~~of the auditor's report~~]

Illustration 4: An auditor's report on summary financial statements of an entity other than a listed entity prepared in accordance with criteria developed by management and adequately disclosed in the summary financial statements. The auditor has determined that the applied criteria are acceptable in the circumstances.

For purposes of this illustrative auditor's report, the following Ccircumstances include the followingare assumed:

- An adverse opinion is expressed on the audited financial statements.
- Criteria are developed by management and adequately disclosed in Note X. The auditor has determined that the criteria are acceptable in the circumstances.
- The relevant ethical requirements that apply to the engagement to report on the summary financial statements are those of the jurisdiction.
- The auditor's report on the audited financial statements does not contain an Emphasis of Matter or Other Matter paragraph.
- The auditor's report on the financial statements does not contain a "Material Uncertainty Related to Going Concern" section that highlights the existence of a material uncertainty in accordance with proposed ISA 570 (Revised).
- The auditor has not communicated key audit matters in accordance with proposed ISA 701 in the auditor's report on the audited financial statements.
- No other information has been obtained at the date of the auditor's report on the audited financial statements, or the auditor's report on the summary financial statements. [Placeholder for other information. See **Agenda 5-A**]

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of ABC Company [or Appropriate Addressee]

Denial of Opinion [Opinion section heading repositioned to match presentation in proposed ISA 700 (Revised)]

The accompanying summary financial statements, which comprise the summary ~~balance sheet~~statement of financial position as at December 31, 20X1, the summary ~~income~~statement of comprehensive income, ~~the~~ summary statement of changes in equity and ~~the~~ summary ~~cash flow~~statement of cash flows for the year then ended, and ~~related~~ notes to the financial statements, including a summary of significant accounting policies, are derived from the audited financial statements of ABC Company (the Company) for the year ended December 31, 20X1.²⁴

Because of the significance of the matter discussed above in the Basis for Denial of Opinion section below, it is inappropriate to express an opinion on the summary financial statements of the ABC Company for the year ended December 31, 20X1.

²⁴ When the auditor's report on the summary financial statements is dated later than the date of the auditor's report on the audited financial statements from which it is derived, the following sentence is added to this paragraph: "Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements."

The summary financial statements do not contain all the disclosures required by [*describe financial reporting framework applied in the preparation of the audited financial statements of ABCthe Company*]. Reading [this report and](#) the summary financial statements, therefore, is not a substitute for reading the audited financial statements of [theABC Company and the auditor's report thereon](#).

Basis for Denial of Opinion

In our report dated February 15, 20X2, we expressed an adverse audit opinion on the financial statements of [ABCthe Company](#) for the year ended December 31, 20X1. The basis for our adverse audit opinion was [*describe basis for adverse audit opinion*]. Our adverse audit opinion stated that [*describe adverse audit opinion*].

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were We conducted our procedures in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements. Our responsibility is to conduct an engagement to report on summary financial statements and issue an auditor's report express an opinion on the summary financial statements based on these procedures. We are independent of the Company in accordance with the ethical requirements that are relevant to our engagement to report on the summary financial statements in [jurisdiction] and have fulfilled our other ethical responsibilities in accordance with these requirements. [The first and second sentences are adapted from the sentence to formed part of the Auditor's Responsibility section in extant ISA 810]~~

Responsibility of Management's²⁵ Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Note X.

Auditor's Responsibility

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.~~

~~[Auditor's sSignature in the name of the audit firm, the personal name of the auditor, or both, as appropriate for the particular jurisdiction]~~

~~[Auditor's address] [The placement of the address and date has been reversed.]~~

~~[Date of the auditor's report]~~

²⁵ Or other term that is appropriate in the context of the legal framework in the particular jurisdiction

Illustration 5: An auditor's report on summary financial statements of an entity other than a listed entity prepared in accordance with established criteria. The auditor concludes that it is not possible to express an unmodified opinion on the summary financial statements.

For purposes of this illustrative auditor's report, the following Circumstances ~~include the following~~ are assumed:

- An unmodified opinion is expressed on the audited financial statements.
- Established criteria for the preparation of summary financial statements exist.
- The auditor concludes that it is not possible to express an unmodified opinion on the summary financial statements.
- The relevant ethical requirements that apply to the engagement to report on the summary financial statements are those of the jurisdiction.
- The auditor's report on the audited financial statements does not contain an Emphasis of Matter or Other Matter paragraph.
- The auditor has not communicated key audit matters in accordance with proposed ISA 701 in the auditor's report on the audited financial statements.
- The auditor's report on the audited financial statements does not contain a "Material Uncertainty Related to Going Concern" section that highlights the existence of a material uncertainty in accordance with proposed ISA 570 (Revised).
- No other information has been obtained at the date of the auditor's report on the audited financial statements, or the auditor's report on the summary financial statements. [Placeholder for other information. See **Agenda 5-A**]

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of ABC Company [or Appropriate Addressee]

Adverse Opinion [Opinion section heading repositioned to match presentation in proposed ISA 700 (Revised)]

The accompanying summary financial statements, which comprise the summary ~~balance sheet~~statement of financial position as at December 31, 20X1, the summary ~~income~~statement of comprehensive income, ~~the~~ summary statement of changes in equity and ~~the~~ summary ~~cash flow~~statement of cash flows for the year then ended, and ~~related~~notes to the financial statements, including a summary of significant accounting policies, are derived from the audited financial statements of ABC Company (the Company) for the year ended December 31, 20X1. We expressed an unmodified audit opinion on those financial statements in our report dated February 15, 20X2.²⁶

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion ~~section below~~paragraph, the summary financial statements referred to above are not consistent with (or a

²⁶ When the auditor's report on the summary financial statements is dated later than the date of the auditor's report on the audited financial statements from which it is derived, the following sentence is added to this paragraph: "Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements."

fair summary of) the audited financial statements of ABC the Company for the year ended December 31, 20X1, in accordance with [*describe established criteria*].

The summary financial statements do not contain all the disclosures required by [*describe financial reporting framework applied in the preparation of the audited financial statements of ABCthe Company*]. Reading this report and the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the ABC Company and the auditor's report thereon.

Basis for Adverse Opinion

[Describe matter that caused the summary financial statements not to be consistent, in all material respects, with (or *a fair summary of*) the audited financial statements, in accordance with the applied criteria.]

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were We conducted our procedures in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements. Our responsibility is to express an opinion on the summary financial statements based on these procedures. We are independent of the Company in accordance with the ethical requirements that are relevant to our engagement to report on the summary financial statements in [jurisdiction] and have fulfilled our other ethical responsibilities in accordance with these requirements.~~

Responsibility of Management's²⁷ ~~Responsibility~~ for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with [*describe established criteria*].

Auditor's Responsibility

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.~~

~~[Auditor's sSignature in the name of the audit firm, the personal name of the auditor, or both, as appropriate for the particular jurisdiction]~~

[Auditor's address] [The placement of the address and date has been reversed.]

~~[Date of the auditor's report]~~

²⁷ Or other term that is appropriate in the context of the legal framework in the particular jurisdiction