

Mr. James GUNN  
Technical Director  
IAASB  
545 Fifth Avenue, 14th Floor  
New York  
New York 10017  
USA

Ref. : 20150822

Paris, November 2, 2015

**Re: Comments on IAASB Exposure Draft on (ED) : “Engagements to Report on Summary Financial Statements”**

Dear Mr. Gunn,

The Compagnie Nationale des Commissaires aux Comptes (CNCC) and the Conseil Supérieur de l'Ordre des Experts-Comptables (CSOEC) are pleased to provide you with their comments on the IAASB Exposure Draft (ED): “Engagements to Report on Summary Financial Statements” (“the ED”).

In general, we support the proposals included in the ED. However, as explained in our comments on the previous IAASB Exposure Draft (ED) ISA 800 (Revised)<sup>1</sup> and ISA 805 (Revised)<sup>2</sup> :

- there is no requirement in France for the auditor to report on summarized financial statements (i.e. summarized financial statements being a summary of full financial statements that have been audited);
- there is no requirement for an entity to prepare summarized financial statements. However, it is a very rare practice in some annual reports (for example for standalone financial statements of the mother company, when consolidated financial statements are provided in full) or in documents prepared by entities as part of their answers to commercial tenders I;
- ISA 810 is therefore, to the best of our knowledge, very rarely used in France;
- In France, there is no framework for summary financial statements. If ISA 810 was to be used, we would require the management developed criteria applied to summarize the financial statements to be described in the notes to those summarized Financial Statements.

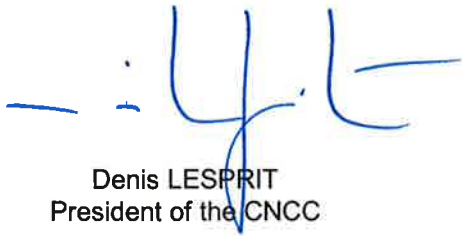
This letter also includes our response to the questions set out in the proposed document.

<sup>1</sup> ISA 800 (Revised) - *Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*

<sup>2</sup> ISA 805 (Revised) - *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*

If you have any further questions about our views on these matters, please do not hesitate to contact us.

Yours faithfully,



Denis LESPRIT  
President of the CNCC



Philippe ARRAOU  
President of the CSOEC

## Specific Comments

**Question 1: Whether respondents agree with the manner in which paragraph 17 has been changed to address reference to additional information that may be included in the auditor's report on the audited financial statements, as well as the additional guidance proposed in paragraph A15 and illustration 1 of the Appendix to proposed ISA 810 (Revised)**

We agree with the proposed changes of paragraph 17 of ISA 810. However, we have the following comment concerning the reference in the auditor's report on summary financial statement to the auditor's report on the audited financial statements:

Paragraph 17 requires that the auditor's report on the summary financial statements shall, in addition to the elements in paragraph 14,

- state that the auditor's report on the audited financial statements includes, among others, an Emphasis of Matter Paragraph, an Other Matter Paragraph or a communication of Key Audit Matters (paragraph 17 (ii));
- and describe the Emphasis of Matter or the Other matter (paragraph 17 (ii)), a description that is not required for the KAM.

We recommend that the IAASB harmonize the requirements concerning the reference to the KAM and the Emphasis of Matter or the Other matter included in the auditor's report on the audited financial statements. We are of the view that the Emphasis of Matter and the Other matter in should not be described in the auditor's report on the summary financial statements.

Finally, we believe that it would be interesting that the auditor's report on the summary financial statements mentions, in cases when the auditor's report on the audited financial statements is available, where to find it.

**Question 2: Whether respondents believe any further changes to ISA 810 are necessary as a result of the new and revised Auditor Reporting standards. If so, the IAASB would like to understand respondents' rationale as to why these further changes are needed as well as views as to when the Board should develop and propose such changes in light of its other priorities.**

Please refer to our comments on question 1 above.

## Other Comments on specific matters

In addition to the requests for specific comments above, the IAASB is also seeking comments on the general matters set out below:

- a) *Preparers (including Small- and Medium-Sized Entities (SMEs)), and Users (including Investors and Regulators)*—The IAASB invites comments on proposed ISA 810 (Revised) from preparers (particularly with respect to the practical impacts of the proposed amendments), and users (particularly with respect to the manner in which reference is proposed to be made to matters included in the auditor's report on the audited financial statements).

As a professional institute, our members are issuers of the auditor's report and not preparers or users of the financial statements. We therefore do not have anything to comment on this specific question.

- b) ***Developing Nations***—Recognizing that many developing nations have adopted or are in the process of adopting the ISAs, the IAASB invites respondents from these nations to comment on proposed ISA 810 (Revised), in particular, on any foreseeable difficulties in applying it in a developing nation environment.

We do not have anything to comment on this specific matter.

- c) ***Translations***—Recognizing that many respondents may intend to translate the final ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents may note in reviewing proposed ISA 810 (Revised).

We do not have anything to comment on this specific matter.

- d) ***Effective Date***—In line with the effective date of the new and revised Auditor Reporting standards, the effective date of the Proposed Limited Conforming Amendments to ISA 810 is for engagements to report on summary financial statements for periods ending on or after December 15, 2016.

We agree that the effective date of the proposed limited conforming amendments to ISA 810 be aligned with the effective date of the new and revised auditor reporting standards, i.e. engagements for periods ending on or after December 15, 2016.