

EXPOSURE DRAFT

**ED 08/09**

(March 2009)

**Proposed Auditing Standard  
ASA 810  
*Engagements to report on  
Summary Financial  
Statements (Revised and  
Redrafted)*  
(Re-issuance of ASA 800)**

Issued for Comment by the **Auditing and Assurance Standards  
Board**



**Australian Government**

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**Auditing and Assurance Standards Board**

## **Commenting on this Exposure Draft**

Comments on this Exposure Draft should be forwarded so as to arrive by no later than 6 April 2009. Comments should be addressed to:

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A copy of all non-confidential submissions will be placed on public record on the AUASB website: [www.auasb.gov.au](http://www.auasb.gov.au).

## **Obtaining a Copy of this Exposure Draft**

This Exposure Draft is available on the AUASB website: [www.auasb.gov.au](http://www.auasb.gov.au).

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## PREFACE

### Reasons for Issuing ED 08/09

The Auditing and Assurance Standards Board (AUASB) is proposing to re-issue Auditing Standard ASA 800 *The Auditor's Report on Special Purpose Audit Engagements* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB is an independent statutory board of the Australian Government established under section 227A of the *Australian Securities and Investments Commission Act 2001*, as amended (ASIC Act). Under section 336 of the *Corporations Act 2001*, the AUASB may make Australian Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

The International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board of the International Federation of Accountants (IFAC), has undertaken a programme to redraft, in "clarity" format, the entire suite of International Standards on Auditing (ISAs). In some cases, and in accordance with normal practice, the ISAs have been revised in addition to being redrafted. The redrafted ISAs are effective for audits of financial statements for periods beginning on or after 15 December 2009.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required to have regard to any programme initiated by the IAASB for the revision and enhancement of the ISAs and to make appropriate consequential amendments to the Australian Auditing Standards. Accordingly, the AUASB has decided to revise and redraft the Australian Auditing Standards using the equivalent redrafted ISAs.

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## **Main Proposals**

This proposed Auditing Standard establishes mandatory Requirements and provides Application and Other Explanatory Material regarding the auditor's responsibilities relating to undertaking an engagement to report on summary financial statements derived from a financial report audited in accordance with Australian Auditing Standard by that same auditor.

## **Proposed Operative Date**

It is intended that this proposed Auditing Standard will be operative for financial reporting periods commencing on or after 1 January 2010.

## **Main changes from existing ASA 800 *The Auditor's Report on Special Purpose Audit Engagements (April 2006, as amended)***

The main differences between this proposed Auditing Standard and the Auditing Standard that it supersedes, ASA 800 *The Auditor's Report on Special Purpose Audit Engagements (April 2006, as amended)*, are included in the Tables of Differences provided as an attachment to this Exposure Draft.

This Auditing Standard deals with audits of summary financial statements, derived from an audited financial report or complete set of financial statements. Extant ASA 800 deals, in addition to this, with audits of financial reports, or a complete set of financial statements, that are prepared in accordance with a special purpose framework.

## **Request for Comments**

Comments are invited on this Exposure Draft of the proposed re-issuance of Auditing Standard ASA 800, *The Auditor's Report on Special Purpose Audit Engagements* by no later than 6 April 2009. The AUASB is seeking comments on the main changes from the existing ASA 800. In addition, respondents are asked to consider and respond to the following questions:

1. Have applicable laws and regulations been appropriately addressed in the proposed standard?
2. Are there any references to relevant laws or regulations that have been omitted?

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3. Are there any laws or regulations that may, or do, prevent or impede the application of the proposed standard, or may conflict with the proposed standard?
4. What, if any, are the additional significant costs to/benefits for auditors and the business community arising from compliance with the main changes to the Requirements of this proposed Auditing Standard? If there are significant costs, do these outweigh the benefits to the users of audit services?
5. Are there any other significant public interest matters that constituents wish to raise?

The AUASB prefers that respondents express a clear opinion on whether the main changes to the Requirements of this proposed Auditing Standard are supported and that this opinion be supplemented by detailed comments, whether supportive or critical, on the above matters. The AUASB regards both supportive and critical comments as essential to a balanced review of the Auditing Standard.

**AUASB Information Note**

The IAASB has announced completion of the “Clarity” project. While all currently known conforming amendments are incorporated into this Exposure Draft, readers are advised that the AUASB may decide to make further conforming amendments, and other editorial changes.

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**AUTHORITY STATEMENT**

The Auditing and Assurance Standards Board (AUASB) makes this Auditing Standard ASA 810 *Engagements to report on Summary Financial Statements (Revised and Redrafted)* pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001*. This Auditing Standard is to be read in conjunction with ASA 101 *Preamble to Australian Auditing Standards*, which sets out the intentions of the AUASB on how the Australian Auditing Standards, operative for financial reporting periods commencing on or after 1 January 2010, are to be understood, interpreted and applied.

## **AUDITING STANDARD ASA 810**

### ***Engagements to report on Summary Financial Statements (Revised and Redrafted)***

#### **Application**

- Aus 0.1 This Auditing Standard applies to an auditor's responsibilities to report on a summary financial statement that is derived from a financial report, or complete set of financial statements audited in accordance with Australian Auditing Standards, by that same auditor.

#### **Operative Date**

- Aus 0.3 This Auditing Standard is operative for financial reporting periods commencing on or after 1 January 2010.

#### **Introduction**

##### **Scope of this ASA**

1. This Auditing Standard deals with the auditor's responsibilities relating to undertaking an engagement to report on summary financial statements derived from a financial report audited in accordance with Australian Auditing Standards by that same auditor.\*

##### **Effective Date**

2. [Deleted by the AUASB. Refer Aus 0.3]

##### **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;

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\* This Auditing Standard does not address the auditor's report on a concise financial report prepared in accordance with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the *Corporations Act 2001*.

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- (b) To form an opinion on the summary financial statements based on an evaluation of the conclusions drawn from the evidence obtained; and
- (c) To express clearly that opinion through a written report that also describes the basis for that opinion.

**Definitions**

- 4. For the purposes of the Australian Auditing Standards, the following terms have the meanings attributed below:
  - (a) Applied criteria means the criteria applied by management in the preparation of the summary financial statements.
  - (b) Audited financial report means a financial report<sup>1</sup> audited by the auditor in accordance with Australian Auditing Standards, and from which the summary financial statements are derived.
  - (c) Summary financial statements means historical financial information that is derived from a financial report but that contains less detail than the financial report, while still providing a structured representation consistent with that provided by the financial report of the entity's economic resources or obligations at a point in time or the changes therein for a period of time.<sup>2</sup> Different jurisdictions may use different terminology to describe such historical financial information.

**Requirements**

**Engagement Acceptance**

- 5. The auditor shall accept an engagement to report on summary financial statements in accordance with this Auditing Standard only when the auditor has been engaged to conduct an audit in accordance with Australian Accounting Standards of the financial report from which the summary financial statements are derived.  
(Ref: Para. A1)

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<sup>1</sup> See ASA 200 (Revised and Redrafted), *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards*, paragraph Aus 13.1, defines the term "financial report".

<sup>2</sup> See ASA 200 (Revised and Redrafted), paragraph 13(f).

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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 report available to the intended users of the summary financial statements without undue difficulty (or, if law or regulation provides that the audited financial report 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) of this Auditing Standard, 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 Auditing Standard. Accordingly, the auditor's report on the summary financial statements shall not indicate that the engagement was conducted in accordance with this Auditing Standard. 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 report from which the summary financial statements are derived.

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**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 summarised nature and identify the audited financial report.
  - (b) When summary financial statements are not accompanied by the audited financial report, evaluate whether they describe clearly:
    - (i) From whom or where the audited financial report is available; or
    - (ii) The law or regulation that specifies that the audited financial report 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 report to determine whether the summary financial statements agree with, or can be recalculated from, the related information in the audited financial report.
  - (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 report is 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)

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**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 report, in accordance with [the applied criteria]; or
  - (b) The summary financial statements are a fair summary of the audited financial report, 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 of this Auditing Standard, the auditor shall:
- (a) Apply the procedures described in paragraph 8 of this Auditing Standard 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) of this Auditing Standard, 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 Auditing Standard. Accordingly, the auditor's report on the summary financial statements shall not indicate that the engagement was conducted in accordance with this Auditing Standard.

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

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 report. In such cases, the auditor's report on the summary financial statements shall state that the summary financial statements

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and audited financial report do not reflect the effects of events that occurred subsequent to the date of the auditor's report on the audited financial report that may require adjustment of, or disclosure in, the audited financial report. (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 report, 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 report in accordance with ASA 560 (Revised and Redrafted)<sup>3</sup> 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:<sup>4</sup> (Ref: Para. A15)
- (a) A title clearly indicating it as the report of an independent auditor. (Ref: Para. A11)
  - (b) An addressee. (Ref: Para. A12)
  - (c) An introductory paragraph that:
    - (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. A13)
    - (ii) Identifies the audited financial report;
    - (iii) Refers to the auditor's report on the audited financial report, the date of that report, and, subject to paragraphs 17-18 of this Auditing Standard, the fact that an unmodified opinion is expressed on the audited financial report;
    - (iv) If the date of the auditor's report on the summary financial statements is later than the date of the

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<sup>3</sup> See ASA 560 (Revised and Redrafted), *Subsequent Events*.

<sup>4</sup> Paragraphs 17-18 of this Auditing Standard, which deal with circumstances where the auditor's report on the audited financial report has been modified, require additional elements to those listed in this paragraph.

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- auditor's report on the audited financial report, states that the summary financial statements and the audited financial report do not reflect the effects of events that occurred subsequent to the date of the auditor's report on the audited financial report; and
- (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 report, and that reading the summary financial statements is not a substitute for reading the audited financial report.
- (d) A description of those charged with governance's<sup>5</sup> responsibility for the summary financial statements, explaining that management<sup>6</sup> is responsible for the preparation of the summary financial statements in accordance with the applied criteria.
- (e) [Deleted by AUASB. Refer Aus 14.1]
- (f) A paragraph clearly expressing an opinion (see paragraphs 9-11).
- (g) The auditor's signature.
- (h) The date of the auditor's report. (Ref: Para. A14)
- (i) The auditor's address.
- Aus 14.1 A statement that the auditor is responsible for expressing an opinion on the summary financial statements based on procedures which were conducted in accordance with this Auditing Standard, and has complied with relevant ethical requirements relating to audit engagements.
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 report, the auditor shall evaluate the appropriateness of using a different addressee. (Ref: Para. A12)

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<sup>5</sup> Or other term that is appropriate in the context of the legal framework in the particular jurisdiction.

<sup>6</sup> Or other term that is appropriate in the context of the legal framework in the particular jurisdiction.

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16. The auditor shall date the auditor's report on the summary financial statements no earlier than: (Ref: Para. A14)
- (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 recognised authority have asserted that they have taken responsibility for them; and
  - (b) The date of the auditor's report on the audited financial report.

*Modifications to the Opinion, Emphasis of Matter Paragraph or Other Matter Paragraph in the Auditor's Report on the Audited Financial Report*  
(Ref: Para. A15)

17. When the auditor's report on the audited financial report 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 report, in accordance with the applied criteria, the auditor's report on the summary financial statements shall, in addition to the elements in paragraph 14 of this Auditing Standard:
- (a) State that the auditor's report on the audited financial report 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 report, and that qualified opinion; or the Emphasis of Matter or the Other Matter paragraph in the auditor's report on the audited financial report; and
    - (ii) The effect thereof on the summary financial statements, if any.
18. When the auditor's report on the audited financial report 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 paragraph 14 of this Auditing Standard:

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- (a) State that the auditor's report on the audited financial report 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*

19. If the summary financial statements are not consistent, in all material respects, with or are not a fair summary of the audited financial report, 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. (Ref: Para. A15)

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

20. When distribution or use of the auditor's report on the audited financial report is restricted, or the auditor's report on the audited financial report alerts readers that the audited financial report is 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**

21. If the audited financial report contains 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. A16)
22. 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 ASA 710 (Revised and Redrafted) requires the auditor to include in the auditor's report on the audited financial report.<sup>7</sup> (Ref: Para. A17)

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<sup>7</sup> See ASA 710 (Revised and Redrafted), *Comparative Information—Corresponding Figures and Comparative Financial Reports*.

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**Unaudited Supplementary Information Presented with Summary Financial Statements**

23. 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. A18)

**Other Information in Documents Containing Summary Financial Statements**

24. The auditor shall read other information included in a document containing the summary financial statements and related auditor's report to identify material inconsistencies, 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, the auditor shall discuss the matter with management. (Ref: Para. A19)

**Auditor Association**

25. 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 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. A20)
26. The auditor may be engaged to report on the financial report 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 report audited by the auditor, the auditor shall be satisfied that:

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- (a) The reference to the auditor is made in the context of the auditor's report on the audited financial report; 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, and where appropriate those charged with governance, 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, and where appropriate those charged with governance, 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. A20)

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**Application and Other Explanatory Material**

**Engagement Acceptance** (Ref: Para. 5-6)

- A1. The audit of the financial report 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 Auditing Standard. Application of this Auditing Standard 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 report 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 require management, and where appropriate those charged with governance, 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 report. 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.

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- A5. The criteria for the preparation of summary financial statements may be established by an authorised or recognised standards setting organisation or by law or regulation. Similar to the case of a financial report, as explained in ASA 210 (Revised and Redrafted),<sup>8</sup> 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 summarised nature and identify the audited financial report;
  - (b) Clearly describe from whom or where the audited financial report is available or, if law or regulation provides that the audited financial report 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 report; 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 summarised nature of the summary financial statements and the identity of the audited financial report, 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 Report for the Year Ended 30 June, 20X1.”

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<sup>8</sup> See ASA 210 (Redrafted), *Agreeing the Terms of Audit Engagements*, paragraphs A3 and A8-A9

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

- A8. The auditor's evaluation whether the audited financial report is 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 report is available;
  - The audited financial report is on public record; or
  - Management have established a process by which the intended users of the summary financial statements can obtain ready access to the audited financial report.

**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 Report** (Ref: Para. 12)

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

**Auditor's Report on Summary Financial Statements**

*Elements of the Auditor's Report*

Title (Ref: Para. 14(a))

- A11. A title indicating the report is the report of an independent auditor, for example, "Report of the Independent Auditor", affirms that the auditor has met all of the relevant ethical requirements regarding

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independence. This distinguishes the report of the independent auditor from reports issued by others.

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

- A12. 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 (Ref: Para. 14(c)(i))

- A13. 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.

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

- A14. The person or persons with recognised 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.

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

- A15. The Appendix to this Auditing Standard contains illustrations of auditors' reports on summary financial statements that:
- (a) Contain unmodified opinions;
  - (b) Is derived from an audited financial report on which the auditor issued modified opinions; and
  - (c) Contain a modified opinion.

**Comparatives** (Ref: Para. 21-22)

- A16. If the audited financial report contains comparatives, there is a presumption that the summary financial statements also would contain comparatives. Comparatives in the audited financial report may be regarded as corresponding figures or as comparative financial information. ASA 710 (Revised and Redrafted) describes how this difference affects the auditor's report on the financial

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report, including, in particular, reference to other auditors who audited the financial report for the prior period.

- A17. 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. 23)

- A18. ASA 700 (Revised and Redrafted)<sup>9</sup> contains requirements and guidance to be applied when unaudited supplementary information is presented with an audited financial report that, adapted as necessary in the circumstances, may be helpful in applying the requirement in paragraph 23.

**Other Information in Documents Containing Summary Financial Statements** (Ref: Para. 24)

- A19. ASA 720 (Revised and Redrafted)<sup>10</sup> contains requirements and guidance relating to reading other information included in a document containing the audited financial report 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 24.

**Auditor Association** (Ref: Para. 25-26)

- A20. Other appropriate actions the auditor may take when management, and where appropriate those charged with governance, do 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.

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<sup>9</sup> See ASA 700 (Redrafted), *Forming an Opinion and Reporting on the Financial Report*, paragraphs 46-47.

<sup>10</sup> See ASA 720 (Redrafted), *The Auditor's Responsibility Relating to Other Information in Documents Containing an Audited Financial Report*.

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**Conformity with International Standards on Auditing**

This Auditing Standard conforms with International Standard on Auditing ISA 810 *Engagements to report on Summary Financial Statements* (Revised and Redrafted), issued by the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board of the International Federation of Accountants (IFAC).

Paragraphs that have been added to this Auditing Standard (and do not appear in the text of the equivalent ISA) are identified with the prefix “Aus”.

Compliance with this Auditing Standard enables compliance with ISA 810.

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**Appendix 1**

(Ref: Para. A15 )

**Illustrations of Reports on Summary Financial Statements**

- Illustration 1: An auditor's report on summary financial statements prepared in accordance with established criteria. An unmodified opinion is expressed on the audited financial report. The auditor's report on the summary financial statements is dated later than the date of the auditor's report on the financial report from which summary financial statements are derived.
- Illustration 2: An auditor's report on summary financial statements 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 report.
- Illustration 3: An auditor's report on summary financial statements 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 report.
- Illustration 4: An auditor's report on summary financial statements 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 report.
- Illustration 5: An auditor's report on summary financial statements prepared in accordance with established criteria. An unmodified opinion is expressed on the audited financial report. The auditor concludes that it is not possible to express an unmodified opinion on the summary financial statements.

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**Example auditor's report – Summary financial statements derived from audited financial report (unmodified opinion)**

**Illustration 1:**

**Circumstances include the following:**

- **An unmodified opinion is expressed on the audited financial report.**
- **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 report from which the summary financial statements are derived.**

**REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS**

[Appropriate Addressee]

The accompanying summary financial statements, which comprise the summary balance sheet as at 30 June, 20X1, the summary income statement, summary statement of changes in equity and summary cash flow statement for the year then ended, and related notes, are derived from the audited financial report of ABC Company for the year ended 30 June, 20X1. We expressed an unmodified audit opinion on that financial report in our report dated February 15, 20X2. That financial report, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on that financial report.

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

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**Management's<sup>11</sup> Responsibility for the Summary Financial Statements**

Management is responsible for the preparation of a summary of the audited financial report 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 Australian Auditing Standard ASA 810 (Revised and Redrafted), Engagements to Report on Summary Financial Statements.

**Opinion**

In our opinion, the summary financial statements derived from the audited financial report of ABC Company for the year ended 30 June, 20X1 are consistent, in all material respects, with (or "a fair summary of") that financial report, in accordance with [describe established criteria].

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

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<sup>11</sup> Or other term that is appropriate in the context of the legal framework in the particular jurisdiction.

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**Example auditor's report – Summary financial statements derived from audited financial report (unmodified opinion)**

**Illustration 2:**

**Circumstances include the following:**

- **An unmodified opinion is expressed on the audited financial report.**
- **Criteria are developed by management and adequately disclosed in Note X. The auditor has determined that the criteria are acceptable in the circumstances.**

**REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS**

[Appropriate Addressee]

The accompanying summary financial statements, which comprise the summary balance sheet as at 30 June, 20X1, the summary income statement, summary statement of changes in equity and summary cash flow statement for the year then ended, and related notes, is derived from the audited financial report of ABC Company for the year ended 30 June, 20X1. We expressed an unmodified audit opinion on that financial report in our report dated February 15, 20X2.<sup>12</sup>

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

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<sup>12</sup> 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 report from which they are derived, the following sentence is added to this paragraph: "The financial report, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on that financial report."

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**Management's<sup>13</sup> Responsibility for the Summary Financial Statements**

Management is responsible for the preparation of a summary of the audited financial report 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 Australian Auditing Standard ASA 810 (Revised and Redrafted), *Engagements to Report on Summary Financial Statements*, which also requires we have complied with relevant ethical requirements relating this audit engagement.

**Opinion**

In our opinion, the summary financial statements derived from the audited financial report of ABC Company for the year ended 30 June, 20X1 are consistent, in all material respects, with (or "a fair summary of") that financial report, on the basis described in Note X.

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

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<sup>13</sup> Or other term that is appropriate in the context of the legal framework in the particular jurisdiction .

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**Example auditor's report – Summary financial statements derived from audited financial report (qualified opinion)**

**Illustration 3:**

**Circumstances include the following:**

- **A qualified opinion is expressed on the audited financial report.**
- **Criteria are developed by management and adequately disclosed in Note X. The auditor has determined that the criteria are acceptable in the circumstances.**

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

[Appropriate Addressee]

The accompanying summary financial statements, which comprise the summary balance sheet as at 30 June, 20X1, the summary income statement, summary statement of changes in equity and summary cash flow statement for the year then ended, and related notes, is derived from the audited financial report of ABC Company for the year ended 30 June, 20X1.<sup>14</sup> We expressed a qualified audit opinion on that financial report in our report dated February 15, 20X2 (see below).

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

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<sup>14</sup> 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 report from which they are derived, the following sentence is added to this paragraph: "The financial report, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on that financial report."

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**Management's<sup>15</sup> Responsibility for the Summary Financial Statements**

Management is responsible for the preparation of a summary of the audited financial report 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 Australian Auditing Standard ASA 810 (Revised and Redrafted), *Engagements to Report on Summary Financial Statement*, which also requires we have complied with relevant ethical requirements relating to this audit engagement.

**Opinion**

In our opinion, the summary financial statements derived from the audited financial report of ABC Company for the year ended 30 June, 20X1 are consistent, in all material respects, with (or "a fair summary of") that financial report, on the basis described in Note X. However, the summary financial statements are misstated to the equivalent extent as the audited financial report of ABC Company for the year ended 30 June, 20X1.

The misstatement of the audited financial report 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 company's inventories are carried in the balance sheet in that financial report at xxx. Those Charged with Governance have not stated the inventories at the lower of cost and net realisable value but has stated them solely at cost, which constitutes a departure from Australian Accounting Standards. The company's records indicate that had management stated the inventories at the lower of cost and net realisable value, an amount of xxx would have been required to write the inventories down to their net realisable 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, that the financial report present fairly, in all material respects, (or give a true and fair view of) the financial position of ABC Company as of 30 June, 20X1, and (of) its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

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<sup>15</sup> Or other term that is appropriate in the context of the legal framework in the particular jurisdiction.

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[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

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**Example auditor's report – Summary financial statements derived from audited financial report (adverse opinion)**

**Illustration 4:**

**Circumstances include the following:**

- **An adverse opinion is expressed on the audited financial report.**
- **Criteria are developed by management and adequately disclosed in Note X. The auditor has determined that the criteria are acceptable in the circumstances.**

**REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS**

[Appropriate Addressee]

The accompanying summary financial statements, which comprise the summary balance sheet as at 30 June, 20X1, the summary income statement, summary statement of changes in equity and summary cash flow statement for the year then ended, and related notes, are derived from the audited financial report of ABC Company for the year ended 30 June, 20X1.<sup>16</sup>

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

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<sup>16</sup> 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 report from which they are derived, the following sentence is added to this paragraph: "The financial report, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on that financial report."

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**Management's<sup>17</sup> Responsibility for the Summary Financial Statements**

Management is responsible for the preparation of a summary of the audited financial report 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 Australian Auditing Standard ASA 810 (Revised and Redrafted), *Engagements to Report on Summary Financial Statements*, which also requires we have complied with relevant ethical requirements relating this audit engagement.

**Denial of Opinion**

In our report dated February 15, 20X2, we expressed an adverse audit opinion on the financial report of ABC Company for the year ended 30 June, 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].

Because of the significance of the matter discussed above, it is inappropriate to express an opinion on the summary financial statements of ABC Company for the year ended 30 June, 20X1.

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

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<sup>17</sup> Or other term that is appropriate in the context of the legal framework in the particular jurisdiction.

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**Example auditor's report – Summary financial statements with adverse opinion, derived from audited financial report (adverse opinion)**

**Illustration 5:**

**Circumstances include the following:**

- **An unmodified opinion is expressed on the audited financial report.**
- **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.**

**REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS**

[Appropriate Addressee]

The accompanying summary financial statements, which comprise the summary balance sheet as at 30 June, 20X1, the summary income statement, summary statement of changes in equity and summary cash flow statement for the year then ended, and related notes, are derived from the audited financial report of ABC Company for the year ended 30 June, 20X1. We expressed an unmodified audit opinion on that financial report in our report dated February 15, 20X5.<sup>18</sup>

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

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<sup>18</sup> 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 report from which they are derived, the following sentence is added to this paragraph: "The financial report, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on that financial report."

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**Management's<sup>19</sup> Responsibility for the Summary Audited Financial Statements**

Management is responsible for the preparation of a summary of the audited financial report 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 Australian Auditing Standard ASA 810(Revised and Redrafted), *Engagements to Report on Summary Financial Statements*, which also requires we have complied with relevant ethical requirements relating this audit engagement.

**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.]

**Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the summary financial statements referred to above are not consistent with (or "a fair summary of") the audited financial report of ABC Company for the year ended 30 June, 20X1, in accordance with [describe established criteria].

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

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<sup>19</sup> Or other term that is appropriate in the context of the legal framework in the particular jurisdiction.

<b>Tables of Differences — ASA 810 (Revised and Redrafted) and Extant ASA 800</b>
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**Underlying Standard**

ISA 810 *Engagements to report on Summary Financial Statements* (Revised and Redrafted) is used as the underlying Auditing Standard for the purpose of re-drafting this proposed Auditing Standard. The underlying Auditing Standard will be amended for the following matters:

- Australian Laws and Regulations (including the *Corporations Act 2001*);
- Changes considered necessary because this Auditing Standard is a legislative instrument; and
- Changes considered necessary in the public interest.

**Summary of Main Differences — ASA 810 (Revised and Redrafted) and Extant ASA 800**

The table below details the main differences (excluding editorial amendments) between this proposed Auditing Standard and extant ASA 800.

**Requirements in ASA (Revised and Redrafted) not in Extant ASA**

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
<b>Scope</b>			
1	1.	1. This Auditing Standard deals with the auditor's responsibilities to when undertaking an engagement to report on summary financial statements derived from a financial report audited in accordance with Australian Auditing Standards by that same auditor.	New Scope section included.

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
<b>Objectives</b>			
2	3	<p>The objectives of the auditor are to:</p> <ul style="list-style-type: none"> <li>(a) Determine whether it is appropriate to accept the engagement to report on summary financial statements;</li> <li>(b) Form an opinion on the summary financial statements based on an evaluation of the conclusions drawn from the evidence obtained; and</li> <li>(c) Express clearly that opinion through a written report that also describes the basis for that opinion.</li> </ul>	<p>New Objectives included.</p> <p>Not inconsistent with extant ASA 800.</p>
<b>Definitions</b>			
3	4	<p>For purposes of this Auditing Standard, the following terms have the meanings attributed below:</p> <ul style="list-style-type: none"> <li>(a) Applied criteria – The criteria applied by management in the preparation of the summary financial statements.</li> <li>(b) Audited financial report – Financial report audited by the auditor in accordance with Australian Accounting Standard from which the summary financial statements are derived.</li> <li>(c) Summary financial statements – Historical financial information that is derived from a financial report 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. Different jurisdictions may use different terminology to describe such historical financial information.</li> </ul>	<p>New Definitions included.</p>

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
<b>Engagement Acceptance</b>			
4	6	<p>Before accepting an engagement to report on summary financial statements, the auditor shall: (Ref: Para. A2)</p> <ul style="list-style-type: none"> <li>(a) Determine whether the applied criteria are acceptable; (Ref: Para. A3-A7)</li> <li>(b) Obtain the agreement of management that it acknowledges and understands its responsibility:                             <ul style="list-style-type: none"> <li>(i) For the preparation of the summary financial statements in accordance with the applied criteria;</li> <li>(ii) To make the audited financial report available to the intended users of the summary financial statements without undue difficulty (or, if law or regulation provides that the audited financial report 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</li> <li>(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.</li> </ul> </li> <li>(c) Agree with management the form of opinion to be expressed on the summary financial statements (see paragraphs 9-11).</li> </ul>	Requirement has no extant ASA equivalent.

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
5	7	<p>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) of this Auditing Standard, 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 Auditing Standard. Accordingly, the auditor’s report on the summary financial statements shall not indicate that the engagement was conducted in accordance with this Auditing Standard. 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 report from which the summary financial statements are derived.</p>	<p>Requirement has no extant ASA equivalent.</p>
<b>Nature of Procedures</b>			
6	8	<p>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:</p> <p>(a) Evaluate whether the summary financial statements adequately disclose their summarised nature and identify the audited financial report.</p> <p>(b) When summary financial statements are not accompanied by the audited financial report, evaluate whether they describe clearly:</p> <p>(i) From whom or where the audited financial report is available; or</p> <p>(ii) The law or regulation that specifies that the audited financial report 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.</p>	<p>(1) Shaded text is an elevation of extant ASA Explanatory Guidance. [Extant ASA 800 para 46—equivalent Explanatory Guidance]</p> <p>(2) Unshaded text has no extant ASA equivalent Requirement.</p>

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
		<p>(c) Evaluate whether the summary financial statements adequately disclose the applied criteria.</p> <p>(d) Compare the summary financial statements with the related information in the audited financial report to determine whether the summary financial statements agree with or can be recalculated from the related information in the audited financial statements.</p> <p>(e) Evaluate whether the summary financial statements are prepared in accordance with the applied criteria.</p> <p>(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.</p> <p>(g) Evaluate whether the audited financial report is 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)</p>	
<b>Form of Opinion</b>			
7	9	<p>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)</p> <p>(a) The summary financial statements are consistent, in all material respects, with the audited financial report, in accordance with [the applied criteria]; or</p>	<p>(1) Shaded text is equivalent in meaning to extant ASA Requirement. [Extant ASA 800 para 48—equivalent Requirement]</p> <p>(2) Unshaded text has no extant ASA equivalent Requirement.</p>

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
		(b) The summary financial statements are a fair summary of the audited financial report, in accordance with [the applied criteria].	
8	10-11	<p>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 of this Auditing Standard, the auditor shall:</p> <p>(a) Apply the procedures described in paragraph 8 of this Auditing Standard and any further procedures necessary to enable the auditor to express the prescribed opinion; and</p> <p>(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.</p> <p>11 If, in the case of paragraph 10(b) of this Auditing Standard, 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 Auditing Standard. Accordingly, the auditor’s report on the summary financial statements shall not indicate that the engagement was conducted in accordance with this Auditing Standard.</p>	Requirement has no extant ASA equivalent.

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
<b>Timing of Work and Events Subsequent to the Date of the Auditor’s Report on the Audited Financial Statement</b>			
9	12-13	<p>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 report. (Ref: Para. A10)</p> <p>13. The auditor may become aware of facts that existed at the date of the auditor’s report on the audited financial report, 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 report in accordance with ASA 560 (Revised and Redrafted) has been completed.</p>	Requirement has no extant ASA equivalent.
10	14	<p>Elements of the Auditor’s Report</p> <p>14. The auditor’s report on summary financial statements shall include the following elements: (Ref: Para. A15)</p> <p>(a) A title clearly indicating it as the report of an independent auditor. (Ref: Para. A11)</p> <p>(b) An addressee. (Ref: Para. A12)</p> <p>(c) An introductory paragraph that:</p> <p>(i) Identifies the summary financial statements on which the auditor is reporting, including the title of</p>	<p>(1) Shaded text has a conceptual difference to extant ASA.</p> <p>Extant ASA requires the auditor to signoff based on procedures required by the suite of Australian Auditing Standards rather than this specific standard.</p> <p>ASA 800 [para 48]: “A statement that the auditor is responsible for expressing an opinion on the summary financial statements based on the procedures required by Australian Auditing Standards and with reference to relevant ethical requirements relating to audit engagements.”</p>

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
		<p>each statement included in the summary financial statements; (Ref: Para. A13)</p> <ul style="list-style-type: none"> <li>(ii) Identifies the audited financial report;</li> <li>(iii) Refers to the auditor’s report on the audited financial report, the date of that report, and, subject to paragraphs 17-18 of this Auditing Standard, the fact that an unmodified opinion is expressed on the audited financial report;</li> <li>(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 report, states that the summary financial statements and the audited financial report do not reflect the effects of events that occurred subsequent to the date of the auditor’s report on the audited financial report; and</li> <li>(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 report, and that reading the summary financial statements is not a substitute for reading the audited financial report.</li> </ul> <p>(d) A description of management’s responsibility for the summary financial statements, explaining that management is responsible for the preparation of the summary financial statements in accordance with the applied criteria.</p> <p>(e) A statement that the auditor is responsible for expressing an opinion on the summary financial statements based on the procedures required by this Auditing Standard.</p>	<p>No practical implications perceived from amendment to signoff given the auditor is merely performing report on summary financial statements which have been extracted from a financial report that has already been audited by the auditor in compliance with the suite of Auditing Standards.</p> <p>(2) Unshaded text is equivalent in meaning to extant ASA [Extant ASA 800, para 48-Equivalent Requirement]</p>

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
		<p>(f) A paragraph clearly expressing an opinion (see paragraphs 9-11).</p> <p>(g) The auditor's signature.</p> <p>(h) The date of the auditor's report. (Ref: Para. A14)</p> <p>(i) The auditor's address.</p>	
11	15-16	<p>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 report, the auditor shall evaluate the appropriateness of using a different addressee. (Ref: Para. A12)</p> <p>16. The auditor shall date the auditor's report on the summary financial statements no earlier than: (Ref: Para. A14)</p> <p>(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 recognised authority have asserted that they have taken responsibility for them; and</p> <p>(b) The date of the auditor's report on the audited financial report.</p>	Requirement has no extant ASA equivalent.
12	18-19	<p>18. When the auditor's report on the audited financial report 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 paragraph 14 of this Auditing Standard:</p> <p>(a) State that the auditor's report on the audited financial report contains an adverse opinion or disclaimer of opinion;</p>	Requirements have no extant ASA equivalent.

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
		<p>(b) Describe the basis for that adverse opinion or disclaimer of opinion; and</p> <p>(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.</p> <p><i>Modified Opinion on the Summary Financial Statements</i></p> <p>19. If the summary financial statements are not consistent, in all material respects, with or are not a fair summary of the audited financial report, 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. (Ref: Para. A15)</p>	
<b>Restriction on Distribution or Use or Alerting Readers to the Basis of Accounting</b>			
13	20	When distribution or use of the auditor’s report on the audited financial report is restricted, or the auditor’s report on the audited financial report alerts readers that the audited financial report 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.	Requirement has no extant ASA equivalent.
<b>Comparatives</b>			
14	21-22	21. If the audited financial report contains 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. A16)	Requirements have no extant ASA equivalent.

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
		22. 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 ASA 710 (Revised and Redrafted) requires the auditor to include in the auditor’s report on the audited financial report. (Ref: Para. A17)	
<b>Unaudited Supplementary Information Presented with Summary Financial Statements</b>			
15	23	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. A18)	Requirement has no extant ASA equivalent.
<b>Other Information in Documents Containing Summary Financial Statements</b>			
16	24	The auditor shall read other information included in a document containing the summary financial statements and related auditor’s report to identify material inconsistencies, 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, the auditor shall discuss the matter with management. (Ref: Para. A19)	Requirement has no extant ASA equivalent.

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
<b>Auditor Association</b>			
17	25-26	<p>25. 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 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. A20)</p> <p>26. 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:</p> <ul style="list-style-type: none"> <li>(a) The reference to the auditor is made in the context of the auditor’s report on the audited financial report; and</li> <li>(b) The statement does not give the impression that the auditor has reported on the summary financial statements.</li> </ul> <p>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</p>	Requirement has no extant ASA equivalent.

Item #	ASA (Revised & Redrafted) Para. #	ASA (Revised & Redrafted) Requirements	Commentary
		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. A20)	

**Significant Differences in Guidance — ASA (REVISED AND REDRAFTED) and Extant ASA**

Item #	ASA (Revised & Redrafted) Para. #	Guidance	Commentary
1	A1-A20	<p>All Explanatory Guidance</p> <p><b>Engagement Acceptance (Ref: Para. 5-6)</b></p> <p>A1. The audit of the financial report 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 Auditing Standard. Application of this Auditing Standard 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 report from which the summary financial statements are derived.</p> <p>A2. Management’s agreement with the matters described in paragraph 6 may be evidenced by its written acceptance of the terms of the engagement.</p> <p><b>Criteria (Ref: Para. 6(a))</b></p> <p>A3. Management is responsible for the determination of 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 report. 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.</p>	<p>New Explanatory Guidance.</p>

Item #	ASA (Revised & Redrafted) Para. #	Guidance	Commentary
		<p>A4. Factors that may affect the auditor’s determination of the acceptability of the applied criteria include:</p> <ul style="list-style-type: none"> <li>• The nature of the entity;</li> <li>• The purpose of the summary financial statements;</li> <li>• The information needs of the intended users of the summary financial statements; and</li> <li>• Whether the applied criteria will result in summary financial statements that are not misleading in the circumstances.</li> </ul> <p>A5. The criteria for the preparation of summary financial statements may be established by an authorised or recognised standards setting organisation or by law or regulation. Similar to the case of financial statements, as explained in ASA 210 (Revised and Redrafted), in many such cases, the auditor may presume that such criteria are acceptable.</p> <p>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:</p> <ul style="list-style-type: none"> <li>(a) Adequately disclose their summarised nature and identify the audited financial report;</li> <li>(b) Clearly describe from whom or where the audited financial report is available or, if law or regulation provides that the audited financial report 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;</li> </ul>	

Item #	ASA (Revised & Redrafted) Para. #	Guidance	Commentary
		<p>(c) Adequately disclose the applied criteria;</p> <p>(d) Agree with or can be recalculated from the related information in the audited financial report; and</p> <p>(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.</p> <p>A7. Adequate disclosure of the summarised nature of the summary financial statements and the identity of the audited financial report, 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 30 June, 20X1.”</p> <p><b>Evaluating the Availability of the Audited Financial Report (Ref: Para. 8(g))</b></p> <p>A8. The auditor’s evaluation whether the audited financial report are available to the intended users of the summary financial statements without undue difficulty is affected by factors such as whether:</p> <ul style="list-style-type: none"> <li>• The summary financial statements describe clearly from whom or where the audited financial report are available;</li> <li>• The audited financial report are on public record; or</li> <li>• Management has established a process by which the intended users of the summary financial statements can obtain ready access to the audited financial report.</li> </ul>	

Item #	ASA (Revised & Redrafted) Para. #	Guidance	Commentary
		<p><b>Form of Opinion (Ref: Para. 9)</b></p> <p>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.</p> <p><b>Timing of Work and Events Subsequent to the Date of the Auditor’s Report on the Audited Financial Statements (Ref: Para. 12)</b></p> <p>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 report, or report on the effects of events that occurred subsequent to the date of the auditor’s report on the audited financial report since the summary financial statements are derived from the audited financial report and do not update them.</p>	

Item #	ASA (Revised & Redrafted) Para. #	Guidance	Commentary
		<p><b>Auditor’s Report on Summary Financial Statements</b></p> <p><i>Elements of the Auditor’s Report</i></p> <p>Title (Ref: Para. 14(a))</p> <p>A11. A title indicating the report is the report of an independent auditor, for example, “Report of the Independent Auditor”, affirms that the auditor has met all of the relevant ethical requirements regarding independence. This distinguishes the report of the independent auditor from reports issued by others.</p> <p>Addressee (Ref: Para. 14(b), 15)</p> <p>A12. 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.</p> <p>Introductory Paragraph (Ref: Para. 14(c)(i))</p> <p>A13. 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.</p>	

Item #	ASA (Revised & Redrafted) Para. #	Guidance	Commentary
		<p>Date of the Auditor’s Report (Ref: Para. 14(h), 16)</p> <p>A14. The person or persons with recognised 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.</p> <p>Illustrations (Ref: Para.14. 17-18,19 )</p> <p>A15. The Appendix to this Auditing Standard contains illustrations of auditors’ reports on summary financial statements that:</p> <ul style="list-style-type: none"> <li>(a) Contain unmodified opinions;</li> <li>(b) Are derived from audited financial report on which the auditor issued modified opinions; and</li> <li>(c) Contain a modified opinion.</li> </ul> <p><b>Comparatives (Ref: Para. 21-22)</b></p> <p>A16. If the audited financial report contains comparatives, there is a presumption that the summary financial statements also would contain comparatives. Comparatives in the audited financial report may be regarded as corresponding figures or as comparative financial information. ASA 710 (Revised and Redrafted) 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.</p>	

Item #	ASA (Revised & Redrafted) Para. #	Guidance	Commentary
		<p>A17. 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.</p> <p><b>Unaudited Supplementary Information Presented with Summary Financial Statements (Ref: Para. 23)</b></p> <p>A18. ASA 700 (Revised and Redrafted) contains requirements and guidance to be applied when unaudited supplementary information is presented with audited financial report that, adapted as necessary in the circumstances, may be helpful in applying the requirement in paragraph 23.</p> <p><b>Other Information in Documents Containing Summary Financial Statements (Ref: Para. 24)</b></p> <p>A19. ASA 720 (Revised and Redrafted) contains requirements and guidance relating to reading other information included in a document containing the audited financial report 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 24.</p>	

Item #	ASA (Revised & Redrafted) Para. #	Guidance	Commentary
		<p><b>Auditor Association (Ref: Para. 25-26)</b></p> <p>A20. 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.</p>	

**Significant Differences in Appendices — ASA (Revised and Redrafted) and Extant ASA**

Item #	ASA (Revised and Redrafted) #	Appendix	Commentary
1	Appendix	<p>Illustration 2: An auditor’s report on summary financial statements 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 report.</p> <p>Illustration 3: An auditor’s report on summary financial statements 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 report.</p> <p>Illustration 4: An auditor’s report on summary financial statements 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 report.</p> <p>Illustration 5: An auditor’s report on summary financial statements prepared in accordance with established criteria. An unmodified opinion is expressed on the audited financial report. The auditor concludes that it is not possible to express an unmodified opinion on the summary financial statements.</p>	Not included in extant ASA