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Description of content of ISSAI 1805

Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement

Reading this description is not a substitute for reading the ISA or ISSAI itself.

ISSAI 1805 is comprised of International Standard on Auditing (ISA) 805 – Special Considerations — Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement, and a corresponding Practice Note. The ISA and the Practice Note are read together.

Authority

Public Sector auditors using the ISAs or ISSAIs as the authoritative standard shall comply with all ISAs or ISSAIs relevant to the audit. An ISA or ISSAI is relevant to the audit when the ISA or ISSAI is in effect and the circumstances addressed by the ISA or ISSAI exist. The auditor shall not represent compliance with ISAs or ISSAIs in the auditor's report unless the auditor has complied with the requirements of all ISAs or ISSAIs relevant to the audit.

Description of the ISA

ISAs in the 100-700 series apply to an audit of financial statements and are to be adapted as necessary in the circumstances when applied to audits of other historical financial information. ISA 805 deals with special considerations in the application of those ISAs to an audit of a single financial statement or of a specific element, account or item of a financial statement. The single financial statement or the specific element, account or item of a financial statement may be prepared in accordance with a general or special purpose framework. If prepared in accordance with a special purpose framework, ISA 800¹ also applies to the audit. ISA 805 does not apply to the report of a component auditor, issued as a result of work performed on the financial information of a component at the

¹ ISA 800, Special Considerations — Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks.

request of a group engagement team for purposes of an audit of group financial statements (see ISA 600²). ISA 805 does not override the requirements of the other ISAs; nor does it purport to deal with all special considerations that may be relevant in the circumstances of the engagement.

Objective of the auditor in terms of the ISA

The objective of the auditor, when applying ISAs in an audit of a single financial statement or of a specific element, account or item of a financial statement, is to address appropriately the special considerations that are relevant to:

- a. The acceptance of the engagement;
- b. The planning and performance of that engagement; and
- c. Forming an opinion and reporting on the single financial statement or on the specific element, account or item of a financial statement.

Among other matters, the requirements in this ISA deal with:

- a. Considerations when accepting the engagement including whether the audit of a single financial statement or of a specific element of those financial statements is practicable if the auditor is not also engaged to audit the entity's complete set of financial statements.
- b. When planning and performing the audit, the need to adapt all ISAs relevant to the audit as necessary.
- c. Special considerations when reporting on the complete set of financial statements and also on a single financial statement or specific element of those statements.
- d. Considerations when the audit report on the complete set of financial statements contains a modified opinion, emphasis of matter paragraph or other matter paragraph. In particular, the standard states that the auditor shall not express an unmodified opinion on a single financial statement of a complete set of financial statements if the auditor has expressed an adverse opinion or disclaimed an opinion on the complete set of financial statements as a whole.

Description of the Practice Note

The Practice Notes provides supplementary guidance for auditors applying ISA 805 when conducting financial audits of public sector entities.

Content of the Practice Note

The Practice Note provides additional guidance for public sector auditors related to:

- a. Overall considerations in relation to additional objectives or public expectations when performing an audit of a single

² ISA 600, Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors).

financial statement or a specific element, account or item of a financial statement.

- b. Considerations when accepting the engagement.
- c. Forming an opinion and reporting considerations.