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## Description of content of ISSAI 1810

### *Engagements to Report on Summary Financial Statements*

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

ISSAI 1810 is comprised of International Standard on Auditing (ISA) 810 – Engagements to Report on Summary Financial Statements, 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*

ISA 810 deals with the auditor's responsibilities relating to an engagement to report on summary financial statements derived from financial statements audited in accordance with ISAs by that same auditor.

### *Objective of the auditor in terms of the ISA*

The objectives of the auditor are:

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

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

- a. Engagement acceptance. The auditor shall accept an engagement to report on summary financial statements only when the auditor has been engaged to conduct an audit of the financial statements from which the summary financial statements are derived.
- b. The nature of the procedures necessary as the basis for the opinion.
- c. The wording to use in the auditor's opinion on the summary financial statements.
- d. The timing of work and events subsequent to the date of the auditor's report on the audited financial statements.
- e. The elements to be included in the auditor's report.
- f. The dating of the auditor's report.
- g. The effect of modifications to the opinion, emphasis of matter paragraph or other matter paragraph in the auditor's report on the full financial statements.
- h. Restriction on distribution or use or alerting readers to the basis of accounting.
- i. Comparatives.
- j. Unaudited supplementary information presented with summary financial statements.
- k. Other information in documents containing summary financial statements.
- l. Possible auditor association with summary financial statements when:
  - i. The entity does not plan to include the related auditor's report with the summary financial statements, or
  - ii. When the summary financial statements have not been audited but have been derived from full financial statements that have been audited.

*Description of the Practice Note*

The Practice Notes provides supplementary guidance for auditors applying ISA 810 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. Auditor's report on summary financial statements.
- b. Restriction on distribution or use or alerting readers to the basis of accounting.
- c. Auditor association.