

Mark-up from Exposure Draft

PROPOSED INTERNATIONAL STANDARD ON AUDITING 800

THE INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL INFORMATION DERIVED FROM AUDITED FINANCIAL STATEMENTS

(Effective for auditors' reports issued on or after December 31, 2006[date])

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International Standard on Auditing (ISA) 800, "The Independent Auditor's Report on Summary [Financial Information Derived from](#) Audited Financial Statements" should be read in the context of the "Preface to the International Standards on Quality Control, Auditing, Assurance and Related Services," which sets out the application and authority of ISAs.

Introduction

1. The purpose of this International Standard on Auditing (ISA) is to establish standards and provide guidance for the independent auditor's when the auditor is engaged to report on summary financial statements derived from audited financial statements (for purposes of this ISA referred to as "summary financial statements"). Although different jurisdictions may use different terminology to describe summary financial statements derived from audited financial statements, for purposes of this ISA they are referred to as "summary financial information." ~~It also contains standards and guidance on the criteria used and procedures performed in an engagement to report on summary financial statements.~~
2. ~~According to ISA 200, "Objective and General Principles Governing an Audit of Financial Statements," paragraph 34, the term "financial statements" refers to a complete set of financial statements or a single financial statement. Although the term "financial statements" is used in this ISA, the standards and guidance apply to auditors' reports on summaries of audited complete sets of financial statements and summaries of audited historical financial information other than complete sets of financial statements.~~
32. This ISA does not establish standards or provide guidance for:
 - (a) A report on summary financial statements derived from financial statements that are unaudited;
 - (b) A report issued as a result of an audit of summary financial statements; A report issued as a result of an audit of summary financial information that are not derived from the full audited financial statements, such as condensed sets of financial statements referred to in International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity;" and
 - (c) A report confirming that information is an accurate extraction from the financial statements.
43. The objective of an engagement to report on summary financial statements information is to express an opinion whether they are an appropriate summary of the summary financial statements derived from the audited financial statements ~~from which they have been derived~~ are prepared and presented in accordance with the criteria applied by management (for purposes of this ISA referred to as "applied criteria").

Engagement Acceptance

54. The auditor should accept an engagement to report on summary **audited financial statements information** only when that auditor has issued **a an auditor's report** as a result of an audit of the financial statements from which **they have been it is** derived. The audit of the financial statements ~~from which the summary financial statements have been derived~~ provides the auditor with the necessary knowledge to discharge the auditor's responsibilities regarding the summary financial statements information.
65. **Before accepting an engagement to report on summary financial statements information, the auditor should request the responsible party management to**

acknowledge its responsibility for preparing and presenting summary financial information in accordance with criteria that will result in the summary financial information described in paragraph 11:

- (d) ~~Acknowledge its responsibility for preparing and presenting an appropriate summary of the financial statements that:~~
 - (i) ~~Is in accordance with suitable criteria agreed to be applied; and~~
 - (ii) ~~In view of the applied criteria, contains the information necessary so as not to be misleading in the circumstances.~~ For example, the summary financial statements will adequately disclose matters that have a pervasive or otherwise material effect on the financial statements from which they have been derived. Such matters could include contingencies, subsequent events, or conditions that cast doubt on the entity's ability to continue as a going concern;
- (e) ~~Confirm that the summary financial statements will adequately disclose their summarized nature and identify the financial statements from which they have been derived.~~ For example, a title such as "Summary Financial Statements Prepared from the Audited Financial Statements for the Year Ended December 31, 20X1") could be used; ~~and~~
- (f) ~~Confirm that the financial statements from which the summary financial statements have been derived, including the auditor's report thereon, will be available to the intended users of the summary financial statements, unless law or regulation provides otherwise.~~ When such law or regulation establishes suitable criteria for preparing and presenting the summary financial statements, the auditor may undertake the engagement to report on the summary financial statements, even though the financial statements will not be made available to the intended users.

~~The above~~ This could be evidenced by the responsible party's management's written acceptance of the terms of the engagement.

- ~~7. Unless law or regulation provides that the financial statements from which the summary financial statements have been derived need not be made available to the intended users of the summary financial statements, the auditor evaluates whether the financial statements will be available to the intended users without undue difficulty. The auditor's evaluation is affected by factors such as whether (a) the summary financial statements describe clearly from whom or where the financial statements are available, (b) the financial statements are on public record, or (c) the responsible party has an established process whereby intended users of the summary financial statements can obtain ready access to the financial statements.~~
- 6. If management refuses to provide the acknowledgement in paragraph 5, the auditor should not accept the engagement, unless law or regulation prohibits the auditor from refusing an engagement to report on summary financial information. Where

law or regulation prohibits the auditor from refusing such an engagement, the auditor complies with the other requirements of this ISA.

7. When the engagement to report on summary financial information is agreed at the same time as the engagement to report on the audit of the financial statements from which the summary financial information is derived, the auditor also considers the effect that the refusal in paragraph 6 may have on the auditor's acceptance of the engagement to audit the financial statements from which the summary financial information is derived.

Criteria

8. ~~The responsible party Management is responsible for determining the information that needs to be reflected in the summary financial statements, so that they are an appropriate summary of the financial statements from which they have been derived~~ criteria to be applied in preparing and presenting the summary financial information. In some cases, the applied criteria may be established by law, regulation, or an authorized or recognized standards setting organization. In other cases, established criteria may not exist. The auditor is responsible for evaluating whether the summary financial statements are an appropriate summary of the financial statements. The auditor needs criteria suitable for such evaluation.
9. **The auditor should determine whether the criteria applied by management in preparing and presenting the summary financial statements information are suitable.** ~~Factors that may affect T~~ the auditor's determines the suitability of the applied criteria in view of determination include the nature of the entity ~~and its environment,~~ legal or regulatory requirements, the ~~nature and~~ objective of the summary financial ~~statements information,~~ and the information needs of the intended users of the summary financial ~~statements information.~~
10. Summary financial ~~statements information,~~ by ~~their its~~ nature, ~~are is~~ expected to contain only limited disclosure. Consequently, there is a risk that ~~summary financial statements it~~ may not contain the information necessary so as not to be misleading in the circumstances. This risk increases when established criteria for preparing and presenting summary financial ~~statements information~~ do not exist. When established criteria do not exist, the auditor ~~considers~~ determines whether the applied criteria ~~applied in preparing and presenting the summary financial statements~~ are suitable in the circumstances ~~before accepting an engagement.~~
11. ~~When established criteria do not exist, t~~ The auditor evaluates whether the applied criteria applied in preparing and presenting the summary financial statements will result in summary financial information that:
- (a) Adequately discloses its summarized nature and identifies the audited financial statements from which it is derived. For example, a title such as "Summary Financial Statements Prepared from the Audited Financial Statements for the Year Ended December 31, 20X1" could be used.
 - (b) Clearly describes from whom or where the audited financial statements are available or, in the circumstances described in paragraph 12, the law or regulation

in accordance with which the audited financial statements do not have to be made available to the intended users of the summary financial information.

- (c) Adequately discloses the applied criteria. The applied criteria need to be available to the intended users to allow them to understand how the summary financial information has been prepared.
 - (a)(d) ~~Summary financial statements that a~~Agrees with or can be recalculated from the related information in the audited financial statements ~~from which they have been derived; and.~~
 - (b)(e) ~~Summary financial statements that e~~Contain the information necessary so as not to be misleading in the circumstances. For example, the summary financial information adequately discloses matters that have a pervasive or otherwise material effect on the audited financial statements. Such matters could include contingencies, subsequent events, or conditions that cast doubt on the entity's ability to continue as a going concern.
- ~~12. Criteria need to be available to the intended users to allow them to understand how the summary financial statements have been prepared.~~
12. When law or regulation explicitly provides that the audited financial statements from which the summary financial information is derived need not be made available to the intended users of the summary financial information, the auditor may undertake the engagement to report on the summary financial information.
13. Unless the circumstances in paragraph 12 apply, the auditor evaluates whether the audited financial statements will be available to the intended users of the summary financial information without undue difficulty. The auditor's evaluation is affected by factors such as whether (a) the summary financial information describes clearly from whom or where the audited financial statements are available, (b) the audited financial statements are on public record, or (c) management has an established process whereby intended users of the summary financial information can obtain ready access to the audited financial statements.

Nature of Procedures and Form of Opinion

- ~~1314.~~ **The auditor should perform the following procedures as the basis for the auditor's opinion on the summary financial statements information:**
- (a) Evaluate whether the summary financial statements information adequately ~~disclose their~~ discloses its summarized nature and ~~identify~~ identifies the audited financial statements from which ~~they have been~~ it is derived.**
 - ~~When summary financial statements are not accompanied by the financial statements from which they have been derived, evaluate whether they describe clearly from whom or where the financial statements are available, except in the circumstances described in paragraph 6(e).~~When summary financial information is not accompanied by the audited financial statements from which it is derived, evaluate whether it describes clearly:**

- (i) From whom or where the audited financial statements are available; or
 - (ii) In the circumstances described in paragraph 12, the law or regulation in accordance with which the audited financial statements do not have to be made available to the intended users of the summary financial information.
 - (c) Evaluate whether the summary financial information adequately discloses the applied criteria.
 - (d) Compare the summary financial ~~statements~~ information with the related information in the audited financial statements ~~from which they have been derived~~ to determine whether the summary financial ~~statements~~ information agrees with or can be recalculated from the related information in the audited financial statements.
 - (e) Evaluate whether the summary financial ~~statements have~~ information has been prepared and presented in accordance with the applied criteria.
 - (f) In view of the applied criteria, evaluate whether the summary financial ~~statements contain~~ information contains the information necessary so as not to be misleading in the circumstances.
1415. Based on the ~~above procedures in paragraph 14~~, the auditor ~~expresses forms~~ an opinion whether the summary financial statements ~~are an appropriate summary of derived from the audited financial statements from which they have been derived~~ are prepared and presented in accordance with the applied criteria.
15. ~~Summary financial statements do not contain all the information required by the financial reporting framework applied in preparing and presenting the financial statements from which they have been derived. Consequently, the auditor cannot report on the summary financial statements in the same manner as the auditor reported on the financial statements. To do so might lead readers to assume incorrectly that the summary financial statements include all the disclosures required by the financial reporting framework applied in preparing and presenting the financial statements. Terms such as "give a true and fair view" or "are presented fairly, in all material respects," are therefore not used by the auditor in opinions on summary financial statements.~~
16. ~~In some jurisdictions, law or regulation governing reporting on summary financial statements may prescribe wording for the opinion that is different from that described in paragraph 14. Although the auditor may be obliged to use the prescribed wording, the auditor's procedures described in paragraph 13 remain the same, with the addition of any further procedures necessary to enable the auditor to express the prescribed opinion.~~
17. ~~When wording prescribed by law or regulation differs significantly from that described in paragraph 14, the auditor carefully considers whether there may be a risk that the intended users of the summary financial statements might misunderstand the procedures performed as a basis for the auditor's opinion. In such circumstances, the auditor considers whether the risk of misunderstanding can be mitigated through appropriate explanation in the auditor's report.~~

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

~~1816.~~ Ordinarily, the auditor performs the procedures described in paragraph ~~13~~ 14 during or immediately after the audit of the financial statements from which the summary financial ~~statements have been~~ information is derived. When the auditor is requested to report on the summary financial ~~statements~~ information after the completion of the audit of the financial statements, the auditor does not (a) obtain additional audit evidence on the audited financial statements; or (b) report on the effects of events that occurred subsequent to the date of the auditor's report on the audited financial statements. To avoid any misunderstanding, the auditor's report on the summary financial ~~statements~~ information states that the summary financial ~~statements~~ information and audited financial statements from which ~~they have been~~ it is derived do not reflect the effects of events that occurred subsequent to the date of the auditor's report on the audited financial statements that may require adjustment of, or disclosure in, the audited financial statements. Any facts discovered by the auditor after the date of the auditor's report on the audited financial statements are considered in the context of those financial statements in accordance with ISA 560, "Subsequent Events."

Auditor's Report on Summary Financial ~~Statements~~ Information

Elements of the Auditor's Report

~~1917.~~ ~~At a minimum, t~~The auditor's report on summary financial information, derived from audited financial statements on which an unmodified opinion is expressed,¹ should include the following elements:

- (a) A title clearly indicating it as the report of an independent auditor.²
- (b) An addressee.
- (c) An introductory paragraph that:
 - (i) Identifies the summary financial ~~statements~~ information on which the auditor is reporting;
 - (ii) Identifies the audited financial statements from which the summary financial ~~statements have been~~ information is derived, ~~and the date on which they were issued;~~
 - (iii) Refers to the auditor's report on the audited financial statements, the date of that report, and, ~~when the fact that~~ an unmodified opinion was is expressed on the audited financial statements, ~~that fact;~~ and

¹ Paragraphs 22 and 23 deal with circumstances where a modified opinion is expressed on the audited financial statements from which the summary financial information is derived.

² A title indicating the report is the report of an independent auditor, for example, "Independent Auditor's Report," affirms that the auditor has met all of the relevant ethical requirements regarding independence, and therefore, distinguishes the independent auditor's report from reports issued by others.

- (iv) When the date of the auditor's report on the summary financial statements information is later than the date of the auditor's report on the audited financial statements from which it is derived, states that the summary financial ~~statements information~~ and the audited financial statements ~~from which they have been derived~~ do not reflect the effects of events that occurred subsequent to the date of the auditor's report on the audited financial statements;
- (v) A statement, or reference to a note in the summary financial information, indicating that the summary financial information does not contain all the disclosures required by the financial reporting framework applied in preparing and presenting the audited financial statements from which it is derived, and that reading the summary financial information is not a substitute for reading the audited financial statements.
- (d) Identification of ~~the responsible party management~~, and a description of ~~that party's management's~~ responsibility for preparing and presenting ~~an appropriate summary of the financial statements that is (i) information~~ in accordance with the applied criteria, ~~and (ii) in view of the applied criteria, contains the information necessary so as not to be misleading in the circumstances.~~
- (e) A statement that the auditor is responsible for expressing an opinion on the summary financial statements information based on the procedures required by this ISA, and that the auditor plans and performs the engagement to obtain reasonable assurance whether the summary financial information is prepared and presented in accordance with the applied criteria.
- (f) A paragraph clearly expressing an opinion whether the summary financial ~~statements are an appropriate summary of the financial statements~~ information is prepared and presented in accordance with the applied criteria.
- ~~(g) A statement, or reference to a note in the summary financial statements, indicating that:~~
 - ~~(i) The summary financial statements do not contain all the disclosures required by the financial reporting framework applied in preparing and presenting the financial statements from which they have been derived, and~~
 - ~~(ii) Reading the summary financial statements is not a substitute for reading the financial statements.~~
- (g) The auditor's signature.
- (h) The date of the auditor's report.
- (i) The auditor's address.

The Appendix to this ISA contains examples of auditors' reports that contain unmodified opinions on summary financial statements information.

2018. Ordinarily the addressee is the same as the addressee of the auditor's report on the audited financial statements. If this is not the case, the auditor considers the appropriateness thereof in view of the terms of the engagement, the nature of the entity and its environment, and the nature and objective of the summary financial statements information.
19. In some jurisdictions, law or regulation governing reporting on summary financial information may prescribe wording for the opinion that is different from that described in paragraph 17(f). Where this is the case, the auditor uses the prescribed wording; however, the auditor's procedures described in paragraph 14 remain the same, with the addition of any further procedures necessary to enable the auditor to express the prescribed opinion.
20. When wording prescribed by law or regulation differs significantly from that described in paragraph 17(f), the auditor carefully considers whether there may be a risk that the intended users of the summary financial information might misunderstand the procedures performed as a basis for the auditor's opinion. In such circumstances, the auditor considers whether the risk of misunderstanding can be mitigated through appropriate explanation in the auditor's report.
21. **The auditor should date the report on the summary financial statements information no earlier than the date on which the auditor has obtained sufficient appropriate evidence on which to base the opinion. Sufficient appropriate evidence should include evidence that the preparation of those that summary financial statements information has been completed, and that the responsible party management has asserted its responsibility for them. Since the auditor's opinion is provided on the summary financial statements information and they are is the responsibility of the responsible party management, the auditor is not in a position to conclude that sufficient appropriate audit evidence has been obtained until the auditor obtains evidence that the preparation of those that summary financial statements information has been completed and the responsible party management has accepted responsibility for them it. The person or persons with recognized authority to provide such an assertion depend on the terms of the engagement, the nature of the entity and its environment, and the nature and objective of the summary financial statements information.**

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

22. **When the auditor's report on the audited financial statements from which the summary financial statements have been information is derived contains a qualified opinion, an emphasis of matter paragraph, or an other matters paragraph, but the auditor is satisfied that the summary financial statements are an appropriate summary of the financial statements information is prepared and presented in accordance with the applied criteria, the opinion section of the auditor's report on the summary financial statements information should:**

- (a) State that the auditor's report on the audited financial statements contains a qualified opinion, an emphasis of matter paragraph, or an other matters paragraph; and
 - (b) Describe (i) the basis for the qualified opinion, and the qualified opinion; the emphasis of matter paragraph; or the other matters paragraph; and (ii) the effect thereof on the summary financial ~~statements~~ information, if any.
23. When the auditor's report on the audited financial statements from which the summary financial ~~statements have been~~ information is derived contains an adverse opinion or a disclaimer of opinion, the opinion section of the auditor's report on the summary financial ~~statements~~ information should:
- (a) State that the auditor's report on the audited financial statements contains an adverse opinion or disclaimer of opinion;
 - (b) Describe the basis for the adverse opinion or disclaimer of opinion; and
 - (c) State that, as a result of the adverse opinion or disclaimer of opinion, it would be inappropriate to express an opinion on the summary financial ~~statements~~ information.

The Appendix to this ISA contains examples of auditors' reports on summary financial ~~statements~~ information derived from audited financial statements on which the auditor issued modified opinions.

Modified Opinion on the Summary Financial ~~Statements~~ Information

24. The auditor requests the responsible party to make appropriate changes to the summary financial statements when: it is not prepared and presented in accordance with the applied criteria or when the applied criteria do not result in the summary financial information described in paragraph 11.
- ~~The summary financial statements do not adequately disclose their summarized nature, identify the financial statements from which they have been derived or, except in the circumstances described in paragraph 6(c), clearly describe from whom or where the financial statements are available;~~
 - ~~The summary financial statements do not agree with or cannot be recalculated from the related information in the financial statements from which they have been derived;~~
 - ~~The summary financial statements have not been prepared or presented in accordance with the applied criteria; or~~
 - ~~In view of the applied criteria, the summary financial statements do not contain the information necessary so as not to be misleading in the circumstances.~~

~~If the responsible party does not agree to make the appropriate changes, the auditor should not express an opinion on the summary financial statements, unless required by law or regulation to do so. When law or regulation requires the auditor to~~

~~express an opinion, the auditor should express an adverse opinion on the summary financial statements.~~ The Appendix to this ISA contains an example of such a report.

~~25. The Code of Ethics for Professional Accountants issued by the International Federation of Accountants (IFAC) states that professional accountants should not be associated with reports, returns, communications or other information where they believe that the information (a) contains a material false or misleading statement, (b) contains statements or information furnished recklessly, or (c) omits or obscures information required to be included where such omission or obscurity would be misleading. The disassociation required in paragraph 24 is intended to meet this ethical requirement.~~

25. If management does not agree to make the appropriate changes, the auditor should express an adverse opinion on the summary financial information. The Appendix to this ISA contains an example of such a report.

Restriction on Distribution or Use

26. When the distribution or use of the auditor's report on the audited financial statements from which the summary financial information is derived is restricted, the auditor considers whether to restrict distribution or use of the auditor's report on the summary financial information.

Comparatives

~~2627.~~ There is a presumption that if the audited financial statements from which the summary financial ~~statements have been~~ information is derived contain comparatives, the summary financial ~~statements~~ information will also contain comparatives. If the audited financial statements contain comparatives, but the summary financial ~~statements do not~~ information does not, the auditor considers whether such omission is reasonable in view of the nature and objective of the summary financial ~~statements~~ information, the applied criteria, and the information needs of the intended users of the summary financial ~~statements~~ information. The auditor considers the effect of an unreasonable omission on the auditor's report on the summary financial ~~statements~~ information.

~~2728.~~ Comparatives in the audited financial statements from which the summary financial ~~statements have been~~ information is derived may be regarded as corresponding figures or as comparative financial information. ISA 710, "Comparatives" describes how this difference affects the auditor's report, including, in particular, reference to other auditors who audited the financial statements for the prior period. ~~If the summary financial statements contain~~ information contains comparatives, which were reported on by another auditor, the auditor's report on the summary financial ~~statements~~ information also contains the matters included in the auditor's report on the audited financial statements in compliance with ISA 710, ~~paragraphs 17 and 26.~~

Unaudited Supplementary Information Presented with Summary Financial Statements Information

- 2829.** ISA 700 (Revised), "The Independent Auditor's Report on ~~a Complete Set of~~ General Purpose Financial Statements," ~~paragraphs 67-70,~~ and [proposed] ISA 701, "The Independent Auditor's Report on ~~Other Historical Financial Information~~ Special Purpose Financial Statements;" ~~paragraph 33,~~ establish ~~contain~~ standards and ~~provide~~ guidance to be applied when unaudited supplementary information is presented with audited ~~historical—financial—information~~ statements. **When unaudited supplementary information is presented with the summary financial statements information, the auditor should be satisfied that the unaudited supplementary information is clearly differentiated from the summary financial statements information. If the auditor concludes that the entity's presentation of the unaudited supplementary information does not differentiate it sufficiently from the summary financial statements information, the auditor should explain in the auditor's report that the supplementary information has not been is unaudited.**
- 2930.** The fact that supplementary information is unaudited does not relieve the auditor of the responsibility to read that information to identify material inconsistencies with the summary financial ~~statements~~ information. The auditor's responsibilities with respect to unaudited supplementary information are consistent with those described in ISA 720, "Other Information in Documents Containing Audited Financial Statements."

Auditor Association

- 3031.** An entity might make a statement in a document that names the auditor and also refers to the fact that summary financial ~~statements have been~~ information is derived from the audited financial statements. Such a statement does not, in itself, require the auditor to report on the summary financial ~~statements~~ information, if:
- (a) The reference to the auditor is in the context of the auditor's report on the audited financial statements from which the summary financial ~~statements have been~~ information is derived; and
 - (b) The statement does not give the impression that the auditor has reported on the summary financial ~~statements~~ information. This may be achieved by marking the summary financial information as "unaudited."

If these ~~provisions~~ in paragraphs 31(a)-(b) are not met, the auditor requests that the entity change the statement to meet ~~the provisions in paragraph 29(a)-(b) them,~~ or not include the auditor's name in the document. ~~Alternatively,~~ the entity may engage the auditor to report on the summary financial ~~statements~~ information and include the auditor's report in the document.

- 3132.** **If the entity does not change the statement, delete the reference to the auditor, or allow ~~the an~~ auditor's report on the summary financial ~~statements~~ information to be included in the document containing the summary financial information, the auditor should advise the entity that the auditor does not consent to either the use of**

the auditor's name or the reference to the auditor, and the auditor should consider what other actions might be appropriate. Other actions may include informing the intended users and other known third party users of the inappropriate use of the auditor's name or seeking legal advice.

Effective Date

3233. This ISA is effective for auditor's reports dated on or after ~~December 31, 2006~~ [date].

Appendix

Examples of Reports on Summary Financial ~~Statements~~ Information

Example 1:

Circumstances include the following:

- An unmodified opinion ~~was~~ is expressed on the audited financial statements from which the summary financial ~~statements have been~~ information is derived.
- Established criteria for preparing and presenting summary financial ~~statements~~ information exist.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

[Appropriate Addressee]

The accompanying summary ~~audited~~ financial statements, which comprise the summary balance sheet as at December 31, 20X4, the summary income statement, statement of changes in equity and cash flow statement for the year then ended, and related notes, ~~were~~ are derived from the audited financial statements of ABC Company for the year ended December 31, 20X4. ~~We~~ expressed an unmodified audit opinion on those financial statements in our report dated February 15, 20X5.³

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

Management's Responsibility for the Summary Audited Financial Statements

Management is responsible for preparing and presenting an ~~appropriate~~ summary of the audited financial statements in accordance with [describe established criteria].

Auditor's Responsibility

Our responsibility is to express an opinion on the summary ~~audited~~ financial statements based on our procedures which were conducted in accordance with International Standard on Auditing (ISA) 800, "The Independent Auditor's Report on Summary Financial Information Derived from Audited Financial Statements." That standard requires that we plan and perform the engagement to obtain reasonable assurance whether the summary financial statements derived from the audited financial statements are prepared and presented in accordance with [describe established criteria].

³ When the auditor's report on the summary financial ~~statements~~information is dated after the date of the auditor's report on the audited financial statements from which ~~they have been~~ it is derived, the following sentence is added to this paragraph: ~~"These"~~ "Those" financial statements, and the summary financial statements, do not reflect the effects, ~~if any,~~ of events that occurred subsequent to the date of the auditor's report on ~~the complete set of those~~ financial statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of ABC Company for the year ended December 31, 20X4 ~~are an appropriate summary of the financial statements of ABC Company for the year ended December 31, 20X4 prepared and presented~~ in accordance with [describe established criteria].

Notice to Reader

~~The summary financial statements do not contain all the disclosures required by [describe financial reporting framework applied in preparing and presenting the financial statements of ABC Company]. Reading these summary financial statements, therefore, is not a substitute for reading the financial statements of ABC Company.~~

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

Example 2:

Circumstances include the following:

- An unmodified opinion ~~was~~ is expressed on the audited financial statements from which the summary financial ~~statements have been~~ information is derived.
- Established criteria for preparing and presenting summary financial statements do not exist.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

[Appropriate Addressee]

~~The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 20X4, the summary income statement, statement of changes in equity and cash flow statement for the year then ended, and related notes, were derived from the financial statements of ABC Company for the year ended December 31, 20X4. We expressed an unmodified audit opinion on those financial statements in our report dated February 15, 20X5.~~
The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 20X4, the summary income statement, statement of changes in equity and cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of ABC Company for the year ended December 31, 20X4. We expressed an unmodified audit opinion on those financial statements in our report dated February 15, 20X5.⁴

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

Management's Responsibility for the Summary Financial Statements

~~Management is responsible for preparing and presenting an appropriate summary of the financial statements that is in agreement with or can be recalculated from the related information in the financial statements from which it has been derived and contains the information necessary so as not to be misleading in the circumstances.~~
Management is responsible for preparing and presenting a summary of the audited financial statements on the basis described in Note x.

Auditor's Responsibility

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures which were conducted in accordance with International Standard on Auditing (ISA) 800, "The Independent Auditor's Report on Summary Audited Financial Statements."~~
Our

⁴ When the auditor's report on the summary financial statements is dated after the date of the auditor's report on the financial statements from which they have been derived, the following sentence is added to this paragraph: "These financial statements and the summary financial statements do not reflect the effects, if any, of events that occurred subsequent to the date of the auditor's report on the complete set of financial statements." When the auditor's report on the summary financial information is dated after the date of the auditor's report on the audited financial statements from which it is derived, the following sentence is added to this paragraph: "Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of the auditor's report on those financial statements."

responsibility is to express an opinion on the summary financial statements based on our procedures which were conducted in accordance with International Standard on Auditing (ISA) 800, "The Independent Auditor's Report on Summary Financial Information Derived from Audited Financial Statements." That standard requires that we plan and perform the engagement to obtain reasonable assurance whether the summary financial statements derived from the audited financial statements are prepared and presented on the basis described in Note x.

Opinion

In our opinion, the summary financial statements are an appropriate summary of the financial statements of ABC Company for the year ended December 31, 20X4 on the basis described under Management's Responsibility for the Summary Financial Statements. In our opinion, the summary financial statements derived from the audited financial statements of ABC Company for the year ended December 31, 20X4 are prepared and presented on the basis described in Note x.

Notice to Reader

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

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

Example 3:

Circumstances include the following:

- A qualified opinion ~~was~~ is expressed on the financial statements from which the summary financial ~~statements have been~~ information is derived.
- Established criteria for preparing and presenting summary financial statements do not exist.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

[Appropriate Addressee]

~~The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 20X4, the summary income statement, statement of changes in equity and cash flow statement for the year then ended, and related notes, were derived from the financial statements of ABC Company for the year ended December 31, 20X4. The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 20X4, the summary income statement, statement of changes in equity and cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of ABC Company for the year ended December 31, 20X4. We expressed an unmodified audit opinion on those financial statements in our report dated February 15, 20X5.~~⁵

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

Management's Responsibility for the Summary Financial Statements

~~Management is responsible for preparing and presenting an appropriate summary of the financial statements that is in agreement with or can be recalculated from the related information in the financial statements from which it has been derived and contains the information necessary so as not to be misleading in the circumstances. Management is responsible for preparing and presenting a summary of the audited financial statements on the basis described in Note x.~~

Auditor's Responsibility

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures which were conducted in accordance with International Standard on Auditing (ISA) 800, "The Independent Auditor's Report on Summary Audited Financial Statements." Our responsibility is to express an opinion on the summary financial statements based on our~~

⁵ ~~When the auditor's report on the summary financial statements is dated after the date of the auditor's report on the financial statements from which they have been derived, the following sentence is added to this paragraph: "These financial statements and the summary financial statements do not reflect the effects, if any, of events that occurred subsequent to the date of the auditor's report on the complete set of financial statements." When the auditor's report on the summary financial information is dated after the date of the auditor's report on the audited financial statements from which it is derived, the following sentence is added to this paragraph: "Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of the auditor's report on those financial statements."~~

procedures which were conducted in accordance with International Standard on Auditing (ISA) 800, "The Independent Auditor's Report on Summary Financial Information Derived from Audited Financial Statements." That standard requires that we plan and perform the engagement to obtain reasonable assurance whether the summary financial statements derived from the audited financial statements are prepared and presented on the basis described in Note x.

Opinion

~~In our opinion, the summary financial statements are an appropriate summary of the financial statements of ABC Company for the year ended December 31, 20X4 on the basis described under Management's Responsibility for the Summary Financial Statements.~~In our opinion, the summary financial statements derived from the audited financial statements of ABC Company for the year ended December 31, 20X4 are prepared and presented on the basis described in Note x.

~~We expressed a qualified opinion on the financial statements of ABC Company for the year ended December 31, 20X4 in our report dated February 15, 20X5. The basis for our qualified opinion was [describe basis for qualified opinion]. Our qualified opinion stated that [describe qualified opinion].⁶ However, we expressed a qualified audit opinion on the financial statements of ABC Company for the year ended December 31, 20X4 in our report dated February 15, 20X5. Our qualified audit opinion is based on a disagreement with management regarding the amount at which inventories are stated in those financial statements. Management has failed to measure the inventories at the lower of cost and net realizable value. They are measured solely at cost, which constitutes a departure from International Financial Reporting Standards. Had management measured them at the lower of cost and net realizable value, an amount of xxx would have been required to write the inventories down to their net realizable value. Accordingly, cost of sales would have been increased by xxx, and income tax, net income and shareholders' equity would have been reduced by xxx, xxx and xxx, respectively. Our qualified audit opinion states that, except for the effects of the described matter, those financial statements give a true and fair view of (or "present fairly, in all material respects") the financial position of ABC Company as of December 31, 20X6, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards. The summary financial statements are misstated to the equivalent extent as the audited financial statements from which they are derived, in respect of inventories, gross profit, income tax and shareholders' equity.~~

Notice to Reader

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

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

⁶—~~If the summary financial statements are affected by the basis for the qualified opinion, this paragraph should also describe the effect thereof on the summary financial statements.~~

Example 4:

Circumstances include the following:

- An adverse opinion ~~was~~ is expressed on the financial statements from which the summary financial ~~statements have been~~ information is derived.
- Established criteria for preparing and presenting summary financial statements do not exist.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

[Appropriate Addressee]

~~The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 20X4, the summary income statement, statement of changes in equity and cash flow statement for the year then ended, and related notes, were derived from the audited financial statements of ABC Company for the year ended December 31, 20X4. The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 20X4, the summary income statement, statement of changes in equity and cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of ABC Company for the year ended December 31, 20X4.~~⁷

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

Management's Responsibility for the Summary Financial Statements

~~Management is responsible for preparing and presenting an appropriate summary of the financial statements that is in agreement with or can be recalculated from the related information in the financial statements from which it has been derived and contains the information necessary so as not to be misleading in the circumstances. Management is responsible for preparing and presenting a summary of the audited financial statements on the basis described in Note x.~~

Auditor's Responsibility

~~Because of the matter described in the Disclaimer of Opinion paragraph, we were not able to complete our procedures in accordance with International Standard on Auditing (ISA) 800, "The Independent Auditor's Report on Summary Audited Financial Statements." Our responsibility is to express an opinion on the summary financial statements based on our procedures which were conducted in accordance with International Standard on Auditing (ISA) 800, "The Independent~~

⁷ ~~When the auditor's report on the summary financial statements is dated after the date of the auditor's report on the financial statements from which they have been derived, the following sentence is added to this paragraph: "These financial statements and the summary financial statements do not reflect the effects, if any, of events that occurred subsequent to the date of the auditor's report on the complete set of financial statements." When the auditor's report on the summary financial information is dated after the date of the auditor's report on the audited financial statements from which it is derived, the following sentence is added to this paragraph: "Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of the auditor's report on those financial statements."~~

Auditor's Report on Summary Financial Information Derived from Audited Financial Statements." That standard requires that we plan and perform the engagement to obtain reasonable assurance whether the summary financial statements derived from the audited financial statements are prepared and presented on the basis described in Note x.

Disclaimer of Opinion

~~In our report dated February 15, 20X5, we expressed an adverse opinion on the financial statements of ABC Company for the year ended December 31, 20X4. The basis for our adverse opinion was [describe basis for adverse opinion]. Our adverse opinion stated that [describe adverse opinion].~~ In our report dated February 15, 20X5, we expressed an adverse audit opinion on the financial statements of ABC Company for the year ended December 31, 20X4. 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 would be inappropriate to express an opinion on the summary audited financial statements of ABC Company for the year ended December 31, 20X4.~~ Because of the significance of the matter discussed above, it would be inappropriate to express an opinion on the summary financial statements of ABC Company for the year ended December 31, 20X4.

Notice to Reader

~~The summary financial statements do not contain all the disclosures required by [describe financial reporting framework applied in preparing and presenting the financial statements of ABC Company]. Reading these summary financial statements, therefore, is not a substitute for reading the financial statements of ABC Company.~~

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

Example 5:

Circumstances include the following:

- An unmodified opinion ~~was~~ is expressed on the financial statements from which the summary financial ~~statements have been~~ information is derived.
- Established criteria for preparing and presenting summary financial statements exist.
- The auditor concluded~~s~~ s that it is not possible to express an unmodified opinion on the summary financial ~~statements~~ information. ~~Law or regulation, however, requires the auditor to express an opinion on the summary financial statements.~~

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

[Appropriate Addressee]

~~The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 20X4, the summary income statement, statement of changes in equity and cash flow statement for the year then ended, and related notes, were derived from the financial statements of ABC Company for the year ended December 31, 20X4. We expressed an unmodified audit opinion on those financial statements in our report dated February 15, 20X5.~~
The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 20X4, the summary income statement, statement of changes in equity and cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of ABC Company for the year ended December 31, 20X4. We expressed an unmodified audit opinion on those financial statements in our report dated February 15, 20X5.⁸

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

Management's Responsibility for the Summary Audited Financial Statements

~~Management is responsible for preparing and presenting an appropriate summary of the financial statements in accordance with [describe established criteria].~~ Management is responsible for preparing and presenting a summary of the audited financial statements in accordance with [describe established criteria].

Auditor's Responsibility

⁸ When the auditor's report on the summary financial statements is dated after the date of the auditor's report on the financial statements from which they have been derived, the following sentence is added to this paragraph: "Those financial statements and the summary financial statements do not reflect the effects, if any, of events that occurred subsequent to the date of the auditor's report on the complete set of financial statements." When the auditor's report on the summary financial information is dated after the date of the auditor's report on the audited financial statements from which it is derived, the following sentence is added to this paragraph: "Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of the auditor's report on those financial statements."

~~Our responsibility is to express an opinion on the summary financial statements based on our procedures which were conducted in accordance with International Standard on Auditing (ISA) 800, "The Independent Auditor's Report on Summary Audited Financial Statements." Our responsibility is to express an opinion on the summary financial statements based on our procedures which were conducted in accordance with International Standard on Auditing (ISA) 800, "The Independent Auditor's Report on Summary Financial Information Derived from Audited Financial Statements." That standard requires that we plan and perform the engagement to obtain reasonable assurance whether the summary financial statements derived from the audited financial statements are prepared and presented in accordance with [describe established criteria].~~

Adverse Opinion

~~[Describe matter that caused the summary financial statements not to be an appropriate summary of the financial statements of ABC Company.] Therefore, in our opinion, the summary financial statements are not an appropriate summary of the financial statements of ABC Company for the year ended December 31, 20X4 in accordance with [describe established criteria]. [Describe matter that caused the summary financial statements not to be prepared and presented in accordance with the applied criteria.] Therefore, in our opinion, the summary financial statements are not prepared and presented in accordance with [describe established criteria].~~

Notice to Reader

~~The summary financial statements do not contain all the disclosures required by [describe financial reporting framework applied in preparing and presenting the financial statements of ABC Company]. Reading these summary financial statements, therefore, is not a substitute for reading the financial statements of ABC Company.~~

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]