

Agenda Item 4-B

SUPPLEMENT TO EXPOSURE DRAFT, PROPOSED ISA 700 (REDRAFTED): MAPPING DOCUMENT

This supplement to the International Auditing and Assurance Standards Board (IAASB) Exposure Draft, Proposed ISA 700 (Redrafted), “The Independent Auditor’s Report on General Purpose Financial Statements,” has been prepared by IAASB staff to demonstrate how the material in ISA 700 (amended as a result of ISA 800 (Revised)) has been reflected in proposed ISA 700 (Redrafted).

Exhibit 1 identifies present tense sentences in ISA 700 and indicates whether they are treated as a requirement or as application material in proposed ISA 700 (Redrafted).

Exhibit 2 maps the text of ISA 700 (which may have been reworded as necessary) to proposed ISA 700 (Redrafted). The highlighted text identifies material that is proposed to be deleted or repositioned to another ISA as a result of redrafting. An explanation of the proposed deletion and other comments are provided, where appropriate.

The material included herein is provided only to assist readers of the exposure draft of proposed ISA 700 (Redrafted). It is for information purposes only and does not form part of the exposure draft. The IAASB has not approved, disapproved, or otherwise acted upon this supplement. It is neither authoritative nor an official pronouncement nor statement of the IAASB.

Exhibit 1

Proposed Disposition of the Present Tense and Other Statements

I. Those That Have Been Elevated to a Requirement or Essential Guidance

Para.	Statement in ISA 700 (Amended as a Result of ISA 800 (Revised))	New para.	Rationale and comment (as necessary)
7.	When forming an opinion on the financial statements, the auditor evaluates whether, based on the audit evidence, reasonable assurance has been obtained about whether the financial statements taken as a whole are free from material misstatement. This involves concluding whether sufficient appropriate audit evidence has been obtained to reduce to an acceptably low level the risks of material misstatement of the financial statements ¹ and evaluating the effects of uncorrected misstatements identified. ²	8	Important aspect of forming an opinion on financial statements.
8.	The auditor evaluates whether the financial statements adequately refer to or describe the applicable financial reporting framework. The auditor also evaluates whether the financial statements have been prepared and presented in accordance with the specific requirements of the applicable financial reporting framework. This evaluation includes	9, 10	Important aspects of forming an opinion on financial statements.

¹ See ISA 330, “The Auditor’s Procedures in Response to Assessed Risks.”

² See ISA 450, “Evaluation of Misstatements Identified During the Audit.”

Para.	Statement in ISA 700 (Amended as a Result of ISA 800 (Revised))	New para.	Rationale and comment (as necessary)
	considering whether, in view of the specific requirements of the applicable financial reporting framework: ...		
9.	Forming an opinion on financial statements prepared and presented in accordance with a fair presentation framework also involves evaluating whether those financial statements achieve fair presentation. The auditor considers the overall presentation, structure and content of the financial statements. The auditor also considers whether the financial statements, including the related explanatory notes, faithfully represent the underlying transactions and events in a manner that achieves fair presentation.	11	Important aspect of forming an opinion on financial statements.
10.	There may be cases where the financial statements, although prepared and presented in accordance with the specific requirements of a fair presentation framework, do not achieve fair presentation ... If management does not do so, the auditor considers the need to modify the opinion in the auditor's report in accordance with ISA 705.	13	Important aspect of forming an opinion on financial statements.
11.	When financial statements are prepared and presented in accordance with a compliance framework, which is acceptable in the circumstances of the entity, it will be extremely rare for the auditor to consider such financial statements to be misleading. However, if the auditor encounters such extremely rare circumstances (i.e., where, in the auditor's professional judgment, the financial statements are misleading), the auditor discusses the matter with management and considers whether, and how, to deal with the matter in the auditor's report ...	14	Important aspect of forming an opinion on financial statements.
61.	... In case of such conflicts, the auditor's report refers only to the auditing standards (either ISAs or the relevant national auditing standards) in accordance with which the auditor has complied with the reporting requirements.	35	Important aspect of the auditor's report.
66.	... When the supplementary information is not intended to be audited, the auditor considers whether that supplementary information is presented in a manner that could be construed as being covered by the auditor's opinion and, if so, asks management to change how the information is presented.	37	The "should" requirement in paragraph 65 of ISA 700 (amended as a result of ISA 800 (Revised)) was deleted. This paragraph was redrafted to be a "shall" requirement as it more clearly expresses what is expected of the auditor in the circumstances.

II. Those That Have Been Treated as Application and Other Explanatory Material and Redrafted

Para.	Statement in ISA 700 (Amended as a Result of ISA 800 (Revised))	New para.	Rationale and comment (as necessary)
17. Ordinarily, the auditor's report is addressed to those for whom the report is prepared, often either to the shareholders or to those charged with governance of the entity whose financial statements are being audited.	A7	Application material to paragraph 17 of the proposed redrafted ISA.
20.	In the case of a complete set of financial statements, the auditor's opinion covers the complete set of financial statements as defined by the applicable financial reporting framework ...	A9	Application material to paragraph 18 of the proposed redrafted ISA.
22.	... For example, the auditor's opinion covers notes or supplementary schedules that are cross-referenced from the financial statements. This would also be the case when the notes to the financial statements include an explanation of the extent to which the financial statements comply with another financial reporting framework.	A34	Application material to paragraph 36 of the proposed redrafted ISA.
29.	The auditor's report states that the auditor's responsibility is to express an opinion on the financial statements based on the audit in order to contrast it to management's responsibility for preparing and presenting the financial statements.	A13	Application material to paragraph 21 of the proposed redrafted ISA.
38.	The auditor's opinion states that the financial statements give a true and fair view of or present fairly, in all material respects, the information that the financial statements are designed to present (which is determined by the financial reporting framework). For example, in the case of a complete set of financial statements prepared in accordance with many financial reporting frameworks, the auditor expresses an opinion that the financial statements give a true and fair view of or present fairly, in all material respects, the financial position of the entity as at the end of the period and the entity's financial performance and cash flows for the period then ended.	A17	Application material to paragraph 26 of the proposed redrafted ISA.
40.	To advise the reader of the context in which the auditor's opinion is expressed, the auditor's opinion identifies the applicable financial reporting framework on which the financial statements are based. When the applicable financial reporting framework is not IFRSs or International Public Sector Accounting Standards (IPSASs), the auditor's opinion also identifies the jurisdiction or country of origin of the applicable financial reporting framework. The auditor identifies the applicable financial reporting framework in such terms as	A18, A19	Application material to paragraph 27 of the proposed redrafted ISA.

Para.	Statement in ISA 700 (Amended as a Result of ISA 800 (Revised))	New para.	Rationale and comment (as necessary)
	...		
41.	For example, in the case of a complete set of financial statements prepared in accordance with IFRSs, the auditor expresses an opinion that the financial statements give a true and fair view of or present fairly, in all material respects, the financial position of the entity as at the end of the period and the entity's financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.	A18	Application material to paragraph 27 of the proposed redrafted ISA.
42.	When the applicable financial reporting framework encompasses financial reporting standards supplemented by legal or regulatory requirements, the auditor identifies the applicable financial reporting framework in such terms as: "... in accordance with International Financial Reporting Standards and the requirements of Country X Corporations Act."	A20	Application material to paragraph 27 of the proposed redrafted ISA.
47.	The auditor addresses these other reporting responsibilities in a separate section of the report in order to clearly distinguish them from the auditor's responsibilities for, and opinion on, the financial statements.	A24	Application material to paragraph 29 of the proposed redrafted ISA.
49.	The auditor's signature is either in the name of the audit firm, the personal name of the auditor or both, as appropriate for the particular jurisdiction ...	A25	Application material to paragraph 30 of the proposed redrafted ISA.
53.	In some jurisdictions, the law or regulation identifies the individuals or bodies (for example, the directors) that are responsible for concluding that all the statements that comprise the financial statements have been prepared, and specifies the necessary approval process. In such cases, the auditor obtains evidence of that approval before dating the report on the financial statements. In other jurisdictions, however, the approval process is not prescribed in law or regulation. In such cases, the auditor takes into account the procedures the entity follows in preparing and finalizing its financial statements in view of its management and governance structures in order to identify the individuals or body with the authority to conclude that all the statements that comprise the financial statements, including the related notes, have been prepared.	A28	Application material to paragraph 31 of the proposed redrafted ISA.
64.	... Where specific requirements in a particular jurisdiction do not conflict with ISAs, the auditor adopts the layout and wording used in this ISA so that users can more readily recognize the auditor's report as a report on an audit conducted in accordance with ISAs.	A30	Application material to paragraph 33 of the proposed redrafted ISA.
66.	The auditor considers, for example, where the unaudited	A37	Application material to

Para.	Statement in ISA 700 (Amended as a Result of ISA 800 (Revised))	New para.	Rationale and comment (as necessary)
	information is presented in relation to the financial statements and any audited supplementary information, and whether it is clearly labeled as “unaudited.”		paragraph 37 of the proposed redrafted ISA.
66.	The auditor asks management to remove any cross references from the financial statements to unaudited supplementary schedules or unaudited notes because the demarcation between the audited and unaudited information would not be sufficiently clear. Unaudited notes that are intermingled with the audited notes can also be misinterpreted as being audited. Therefore, the auditor asks the entity to place the unaudited information outside of the financial statements, or, if that is not possible in the circumstances, at a minimum, place the unaudited notes together at the end of the required notes to the financial statements and clearly label them as unaudited.	A38	Application material to paragraph 37 of the proposed redrafted ISA.

Mapping Document

Exhibit 2

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
Introduction		
1. The purpose of this International Standard on Auditing (ISA) is to establish standards and provide guidance on the independent auditor's report issued as a result of an audit of general purpose financial statements. This ISA also establishes standards and provides guidance on forming an opinion on financial statements.	1	
2. "General purpose financial statements" are financial statements prepared in accordance with a financial reporting framework designed to meet the common financial information needs of a wide range of users. Reference to "financial statements" in this ISA should be read as "general purpose financial statements," and can be to a complete set of financial statements or a single financial statement. The requirements of the applicable financial reporting framework determine the form and content of the financial statements and what constitutes a complete set of financial statements.	6, 7 Footnote 2	
3. ISA 800, "Special Considerations—Audits of Special Purpose Financial Statements and Specific Elements, Accounts or Items of a Financial Statement" contains standards and guidance on the independent auditor's report issued as a result of an audit of financial statements prepared in accordance with a financial reporting framework designed to meet the financial information needs of specific users ("special purpose financial statements"), as well as on the independent auditor's report issued as a result of an audit of specific elements, accounts or items of a financial statement.	-	Reference considered unnecessary. Titles of proposed redrafted ISAs 700 and 800 (Revised) clearly describe their respective contents.
4. ISA 705, "Modifications to the Opinion in the Independent Auditor's Report" contains additional standards and guidance on circumstances that may result in a modified opinion, the type of modification required, and the form and content of the auditor's report when the opinion is modified. ISA 706, "Emphasis of Matter Paragraphs and Other Matter(s) Paragraphs in the Independent Auditor's Report" contains additional standards and guidance on circumstances when the auditor considers including an Emphasis of Matter paragraph or an Other Matter(s) paragraph in	2	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
the auditor's report, and the form and placement of such paragraphs.		
5. The auditor's report should contain a clear expression of the auditor's opinion on the financial statements.	5	
Forming an Opinion on the Financial Statements		
6. The auditor should evaluate the conclusions drawn from the audit evidence obtained as the basis for forming an opinion on the financial statements.	5	
7. When forming an opinion on the financial statements, the auditor evaluates whether, based on the audit evidence, reasonable assurance has been obtained about whether the financial statements taken as a whole are free from material misstatement. This involves concluding whether sufficient appropriate audit evidence has been obtained to reduce to an acceptably low level the risks of material misstatement of the financial statements ¹ and evaluating the effects of uncorrected misstatements identified. ²	8	
8. The auditor evaluates whether the financial statements adequately refer to or describe the applicable financial reporting framework. The auditor also evaluates whether the financial statements have been prepared and presented in accordance with the specific requirements of the applicable financial reporting framework. This evaluation includes considering whether, in view of the specific requirements of the applicable financial reporting framework: (a) The financial statements adequately disclose the significant accounting policies selected and applied, and significant interpretations by management of regulatory or legal requirements. In jurisdictions where the applicable financial reporting framework is so codified as to preclude a	9, 10	

¹ See ISA 330, "The Auditor's Procedures in Response to Assessed Risks."

² See ISA 450, "Evaluation of Misstatements Identified During the Audit."

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
<p>choice of accounting policies or significant interpretations by management, a reference to the applicable financial reporting framework may suffice;</p> <p>(b) The accounting policies selected and applied are consistent with the applicable financial reporting framework and are appropriate;</p> <p>(c) The accounting estimates made by management are reasonable;</p> <p>(d) The information presented in the financial statements is relevant, reliable, comparable and understandable;</p> <p>(e) The financial statements provide adequate disclosures to enable the intended users to understand the effect of material transactions and events on the information conveyed in the financial statements, for example, in the case of financial statements prepared and presented in accordance with many general purpose frameworks, the entity's financial position, financial performance and cash flows; and</p> <p>(f) The terminology used in the financial statements, including their titles, is appropriate.</p>		
<p>9. Forming an opinion on financial statements prepared and presented in accordance with a fair presentation framework also involves evaluating whether those financial statements achieve fair presentation. The auditor considers the overall presentation, structure and content of the financial statements. The auditor also considers whether the financial statements, including the related explanatory notes, faithfully represent the underlying transactions and events in a manner that achieves fair presentation.</p>	11	
<p>10. There may be cases where the financial statements, although prepared and presented in accordance with the specific requirements of a fair presentation framework, do not achieve fair presentation. Where this is the case, management has a responsibility to provide disclosures beyond the specific requirements of the framework or, in extremely rare circumstances, to depart from a specific</p>	13, A2	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
requirement in the framework to achieve fair presentation of the financial statements, as explained in ISA 200, “Objective and General Principles Governing an Audit of Financial Statements.” If management does not do so, the auditor considers the need to modify the opinion in the auditor’s report in accordance with ISA 705.		
11. When financial statements are prepared and presented in accordance with a compliance framework, which is acceptable in the circumstances of the entity, it will be extremely rare for the auditor to consider such financial statements to be misleading. However, if the auditor encounters such extremely rare circumstances (i.e., where, in the auditor’s professional judgment, the financial statements are misleading), the auditor discusses the matter with management and considers whether, and how, to deal with the matter in the auditor’s report. The auditor’s response, if any, will depend on whether, and how, management addresses the matter in the financial statements.	14, A3	
Elements of the Auditor’s Report³		
12. Consistency in the auditor’s report, when the audit has been conducted in accordance with the ISAs, promotes credibility in the global marketplace by making more readily identifiable those audits that have been conducted in accordance with globally recognized standards. It also helps to promote the reader’s understanding and to identify unusual circumstances when they occur.	3	
<p>13. Paragraphs 14-55 set out the requirements relating to the following elements of the auditor’s report:</p> <p>(a) Title;</p> <p>(b) Addressee;</p>		Splitting requirements and application material reduced the volume of text and made the summary unnecessary.

³ Paragraphs 59-64 address the auditor’s report when the audit has been conducted in accordance with both ISAs and auditing standards of a specific jurisdiction or country.

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
<p>(c) Introductory paragraph;</p> <p>(d) Management's responsibility for the financial statements;</p> <p>(e) Auditor's responsibility;</p> <p>(f) Auditor's opinion;</p> <p>(g) Other matters;</p> <p>(h) Other reporting responsibilities;</p> <p>(i) Auditor's signature;</p> <p>(j) Date of the auditor's report; and</p> <p>(k) Auditor's address.</p>		
Title		
14. The auditor's report should have a title that clearly indicates that it is the report of an independent auditor.	16	
15. 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.	A6	
Addressee		

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
16. The auditor's report should be addressed as required by the circumstances of the engagement.	17	
17. National laws or regulations often specify to whom the auditor's report should be addressed in that particular jurisdiction. Ordinarily, the auditor's report is addressed to those for whom the report is prepared, often either to the shareholders or to those charged with governance of the entity whose financial statements are being audited.	A7	
Introductory Paragraph		
<p>18. The introductory paragraph in the auditor's report should identify the entity whose financial statements have been audited and should state that the financial statements have been audited. The introductory paragraph should also:</p> <ul style="list-style-type: none"> (a) Identify the title of each statement that comprises the financial statements; (b) Refer to the summary of significant accounting policies and other explanatory notes; and (c) Specify the date or period covered by each financial statement comprising the financial statements. 	18	
19. This requirement is ordinarily met by stating that the auditor has audited the accompanying financial statements of the entity, which comprise [state the title of each financial statement comprising the complete set of financial statements required by the applicable financial reporting framework (or, where applicable, the title of the single financial statement), specifying the date or period covered by each financial statement] and referring to the summary of significant accounting policies and other explanatory notes. In addition, when the auditor is aware that the financial statements will be included in a document that contains other information, such as an annual report, the auditor may consider, if the form of presentation allows, identifying the page numbers on which the financial statements are presented. This helps readers to identify the financial statements to which the	A8	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
auditor's report relates.		
20. In the case of a complete set of financial statements, the auditor's opinion covers the complete set of financial statements as defined by the applicable financial reporting framework. For example, in the case of financial statements prepared in accordance with International Financial Reporting Standards (IFRSs), this includes: a balance sheet, an income statement, a statement of changes in equity, a cash flow statement, and a summary of significant accounting policies and other explanatory notes. In some jurisdictions additional information might also be considered to be an integral part of the financial statements.	A9	
21. In some circumstances, the entity may be required by law or regulation or standards, or may voluntarily choose, to present together with the financial statements supplementary information that is not required by the applicable financial reporting framework. For example, supplementary information might be presented to enhance a user's understanding of the applicable financial reporting framework or to provide further explanation of specific financial statement items. Such information is normally presented in either supplementary schedules or as additional notes. The auditor's opinion may or may not cover the supplementary information and it is therefore important for the auditor to be satisfied that any supplementary information that is not covered by the auditor's opinion is clearly differentiated, as discussed in paragraphs 65-69.	A33	The text in paragraphs 21-22 of Amended ISA 700 was combined with the text in paragraphs 65-69 of Amended ISA 700. In light of the redrafted and repositioned text, the highlighted text was considered unnecessary. The principles reflected in the original text were not changed.
22. In some circumstances, the supplementary information cannot be clearly differentiated from the financial statements because of its nature and how it is presented. Such supplementary information is covered by the auditor's opinion. For example, the auditor's opinion covers notes or supplementary schedules that are cross-referenced from the financial statements. This would also be the case when the notes to the financial statements include an explanation of the extent to which the financial statements comply with another financial reporting framework.	A34	
23. Supplementary information that is presented as an integral part of the financial statements does not need to be specifically referred to in the introductory paragraph of the auditor's report when the	A35	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
reference to the notes in the description of the statements that comprise the financial statements in the introductory paragraph is sufficient.		
Management's Responsibility for the Financial Statements		
<p>24. The auditor's report should state that management is responsible for preparing and presenting the financial statements in accordance with the applicable financial reporting framework and that this responsibility includes:</p> <ul style="list-style-type: none"> (a) Designing, implementing and maintaining internal control relevant to preparing and presenting financial statements that are free from material misstatement, whether due to fraud or error; (b) Selecting and applying appropriate accounting policies; and (c) Making accounting estimates that are reasonable in the circumstances. <p>Where the phrases "give a true and fair view" or "are presented fairly, in all material respects," are used to express the auditor's opinion on the financial statements, the statement of management's responsibility for the financial statements refers to "the preparation and <i>fair</i> presentation of the financial statements" instead of "preparation and presentation."</p>	19, 20	
25. Financial statements are the representations of management. Management is responsible for preparing and presenting the financial statements in accordance with the applicable financial reporting framework. For example, in the case of many general purpose frameworks, management is responsible for preparing financial statements that fairly present the financial position, financial	A10	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
performance and cash flows of the entity in accordance with those frameworks. To fulfill this responsibility, management designs and implements internal control ⁴ to prevent or to detect and correct misstatements, whether due to fraud or error, in order to ensure the reliability of the entity's financial reporting. The preparation of the financial statements requires management to exercise judgment in making accounting estimates that are reasonable in the circumstances, as well as to select and apply appropriate accounting policies. These judgments are made in the context of the applicable financial reporting framework.		
26. There may be circumstances when it is appropriate for the auditor to add to the description of management's responsibilities in paragraph 24 to reflect additional responsibilities that are relevant to preparing and presenting the financial statements in the context of the particular jurisdiction or the nature of the entity	A11	
27. The term management has been used in this ISA to describe those responsible for preparing and presenting the financial statements. Other terms may be appropriate depending on the legal framework in the particular jurisdiction. For example, in some jurisdictions, the appropriate reference may be to those charged with governance (for example, the directors).	A12	
<i>Auditor's Responsibility</i>		
28. The auditor's report should state that the responsibility of the auditor is to express an opinion on the financial statements based on the audit.	21	
29. The auditor's report states that the auditor's responsibility is to express an opinion on the financial statements based on the audit in order to contrast it to management's responsibility for preparing	A13	

⁴ In some jurisdictions, law or regulation prescribing management's responsibilities may specifically refer to a responsibility for the adequacy of accounting books and records, or accounting system. As books, records and systems are an integral part of internal control (as defined in ISA 315, "Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement"), no specific reference is made to them in paragraph 24 for the description of management's responsibilities.

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
and presenting the financial statements.		
30. The auditor's report should state that the audit was conducted in accordance with International Standards on Auditing. The auditor's report should also explain that those standards require that the auditor comply with ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.	22	
31. The reference to the standards used conveys to the reader that the audit has been conducted in accordance with established standards.	A14	
32. The auditor should not describe the audit as being conducted in accordance with the ISAs unless the auditor has complied fully with all of the ISAs relevant to the audit. In accordance with ISA 200, the auditor may in exceptional circumstances judge it necessary to depart from a basic principle or an essential procedure that is relevant in the circumstances of the audit in order to achieve the objective of the audit. In such a case, the auditor is not precluded from representing compliance with ISAs, provided the departure is appropriately documented as required by ISA 230 (Revised), "Audit Documentation."	A15	The requirement is established in [proposed] ISA 200 (Revised and Redrafted). This paragraph was amended to refer to the requirement in that ISA rather than repeating it here. Text was deleted because the matter is dealt with in [proposed] ISA 230 (Redrafted).
33. The auditor's report should describe an audit by stating that: (a) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements; (b) The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design	23, 24	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
<p>audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. In circumstances when the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor should omit the phrase that the auditor's consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of internal control; and</p> <p>(c) An audit also includes evaluating the appropriateness of the accounting policies used, the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements.</p> <p>Where the phrases "give a true and fair view" or "are presented fairly, in all material respects," are used to express the auditor's opinion on the financial statements, the description of the audit refers to "the preparation and <i>fair</i> presentation of the financial statements" instead of "preparation and presentation."</p>		
34. The auditor's report should state that the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor's opinion.	25	
Auditor's Opinion		
35. An unmodified opinion should be expressed when the auditor concludes that the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.	12	
36. When expressing an unmodified opinion on financial statements prepared and presented in accordance with a fair presentation framework, the opinion paragraph of the auditor's report should state the auditor's opinion that the financial statements give a true and fair view or present fairly, in all material respects, in accordance with the applicable financial reporting	26	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
framework (unless otherwise required by law or regulation). In all other cases, the auditor's opinion should state that the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.		
37. The phrases “give a true and fair view” and “present fairly, in all material respects,” are equivalent for purposes of the ISAs. Which of these phrases is used in any particular jurisdiction is determined by the law or regulation governing the audit of financial statements in that jurisdiction, or by established practice in that jurisdiction. Where law or regulation requires the use of different wording, the auditor's responsibility to evaluate the fair presentation of financial statements prepared and presented in accordance with a fair presentation framework is the same.	A16	
38. The auditor's opinion states that the financial statements give a true and fair view of or present fairly, in all material respects, the information that the financial statements are designed to present (which is determined by the financial reporting framework). For example, in the case of a complete set of financial statements prepared in accordance with many financial reporting frameworks, the auditor expresses an opinion that the financial statements give a true and fair view of or present fairly, in all material respects, the financial position of the entity as at the end of the period and the entity's financial performance and cash flows for the period then ended.	A17	
39. When International Financial Reporting Standards or International Public Sector Accounting Standards are not used as the financial reporting framework, the reference to the financial reporting framework in the wording of the opinion should identify the jurisdiction or country of origin of the financial reporting framework.	27	
40. To advise the reader of the context in which the auditor's opinion is expressed, the auditor's opinion identifies the applicable financial reporting framework on which the financial statements are based. When the applicable financial reporting framework is not IFRSs or International Public Sector Accounting Standards (IPSASs), the auditor's opinion also identifies the jurisdiction or country of origin of the applicable financial reporting framework. The auditor identifies the applicable	A18, A19	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
<p>financial reporting framework in such terms as:</p> <p>“... in accordance with International Financial Reporting Standards” or</p> <p>“... in accordance with accounting principles generally accepted in Country X ...”</p>		
<p>41. For example, in the case of a complete set of financial statements prepared in accordance with IFRSs, the auditor expresses an opinion that the financial statements give a true and fair view of or present fairly, in all material respects, the financial position of the entity as at the end of the period and the entity’s financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.</p>	A18	
<p>42. When the applicable financial reporting framework encompasses financial reporting standards supplemented by legal or regulatory requirements, the auditor identifies the applicable financial reporting framework in such terms as:</p> <p>“... in accordance with International Financial Reporting Standards and the requirements of Country X Corporations Act.”</p> <p>(ISA 210, “Terms of Audit Engagements” contains standards and guidance for circumstances where there are conflicts between the financial reporting standards and the legislative or regulatory requirements.)</p>	A20	
Other Matters		
<p>43. Standards, laws or generally accepted practice in a jurisdiction may require or permit the auditor to elaborate on matters that provide further explanation of the auditor’s responsibilities in the audit of the financial statements or of the auditor’s report thereon. Such matters may be addressed in a separate paragraph following the auditor’s opinion. ISA 706 contains standards and guidance for</p>	28, A21	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
other matter(s) paragraphs in the auditor's report.		
Other Reporting Responsibilities		
44. In some jurisdictions, the auditor may have additional responsibilities to report on other matters that are supplementary to the auditor's responsibility to express an opinion on the financial statements. For example, the auditor may be asked to report certain matters if they come to the auditor's attention during the course of the audit of the financial statements. Alternatively, the auditor may be asked to perform and report on additional specified procedures, or to express an opinion on specific matters, such as the adequacy of accounting books and records. Auditing standards in the specific jurisdiction or country often provide guidance on the auditor's responsibilities with respect to specific additional reporting responsibilities in that jurisdiction or country.	A22	
45. In some cases, the relevant standards or laws may require or permit the auditor to report on these other responsibilities within the auditor's report on the financial statements. In other cases, the auditor may be required or permitted to report on them in a separate report.	A23	
46. When the auditor addresses other reporting responsibilities within the auditor's report on the financial statements, these other reporting responsibilities should be addressed in a separate section in the auditor's report that follows the opinion paragraph.	29	
47. The auditor addresses these other reporting responsibilities in a separate section of the report in order to clearly distinguish them from the auditor's responsibilities for, and opinion on, the financial statements.	A24	
Auditor's Signature		
48. The auditor's report should be signed.	30	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
49. The auditor's signature is either in the name of the audit firm, the personal name of the auditor or both, as appropriate for the particular jurisdiction. In addition to the auditor's signature, in certain jurisdictions, the auditor may be required to declare the auditor's professional accountancy designation or the fact that the auditor or firm, as appropriate, has been recognized by the appropriate licensing authority in that jurisdiction.	A25	
Date of the Auditor's Report		
50. The auditor should date the report on the financial statements no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the opinion on the financial statements. Sufficient appropriate audit evidence should include evidence that all the statements that comprise the financial statements have been prepared and that those with the recognized authority have asserted that they have taken responsibility for them.	31	
51. The date of the auditor's report informs the reader that the auditor has considered the effect of events and transactions of which the auditor became aware and that occurred up to that date. The auditor's responsibility for events and transactions after the date of the auditor's report is addressed in ISA 560, "Subsequent Events."	A26	
52. Since the auditor's opinion is provided on the financial statements and the financial statements are the responsibility of management, the auditor is not in a position to conclude that sufficient appropriate audit evidence has been obtained until the auditor obtains evidence that all the statements that comprise the financial statements have been prepared and management has accepted responsibility for them.	A27	
53. In some jurisdictions, the law or regulation identifies the individuals or bodies (for example, the directors) that are responsible for concluding that all the statements that comprise the financial	A28	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
statements have been prepared, and specifies the necessary approval process. In such cases, the auditor obtains evidence of that approval before dating the report on the financial statements. ⁵ In other jurisdictions, however, the approval process is not prescribed in law or regulation. In such cases, the auditor takes into account the procedures the entity follows in preparing and finalizing its financial statements in view of its management and governance structures in order to identify the individuals or body with the authority to conclude that all the statements that comprise the financial statements, including the related notes, have been prepared.		
54. In some jurisdictions, final approval of the financial statements by shareholders is required before the financial statements are issued publicly. In these jurisdictions, final approval by shareholders is not necessary for the auditor to conclude that sufficient appropriate audit evidence has been obtained. The date of approval of the financial statements for purposes of the ISAs is the earlier date on which those with the recognized authority determine that all the statements that comprise the financial statements have been prepared.	A29	
Auditor's Address		
55. The report should name the location in the country or jurisdiction where the auditor practices.	32	
Auditor's Report		
56. The auditor's report should be in writing.	15	
57. A written report encompasses both reports issued in hard copy format and those using an electronic medium.	A4	
58. The Appendix contains illustrations of auditors' reports on general purpose financial statements,	A5	

⁵ In rare circumstances, law or regulation also identifies the point in the financial statement reporting process at which the audit is expected to be complete.

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
incorporating the elements set forth above.		
Auditor's Report for Audits Conducted in Accordance with Both ISAs and Auditing Standards of a Specific Jurisdiction or Country		
59. The auditor may conduct the audit in accordance with both the ISAs and the auditing standards of a specific jurisdiction or country (for purposes of this ISA referred to as "national auditing standards").	33	
60. As required in paragraph 32, the auditor's report refers to the audit having been conducted in accordance with the International Standards on Auditing only when the auditor has complied fully with all of the International Standards on Auditing relevant to the audit.	-	See paragraph A15 of the proposed redrafted ISA, which refers to the requirement in [proposed] ISA 200 (Revised and Redrafted). It was not considered necessary to repeat the reference here.
61. The auditor may refer to the audit having been conducted in accordance with both ISAs as well as national auditing standards when the auditor complies with each of the ISAs relevant to the audit and performs any additional audit procedures necessary to comply with the relevant standards of that jurisdiction or country. A reference to both the ISAs and national auditing standards is not appropriate if there is a conflict between the reporting requirements regarding the auditor's report in the ISAs and in the national auditing standards that affects the auditor's opinion or the need to include an emphasis of matter paragraph in the particular circumstances. For example, some national auditing standards prohibit the auditor from including an emphasis of matter paragraph to highlight a going concern problem, whereas ISA 570, "Going Concern" requires the auditor to add an emphasis of matter paragraph in such circumstances. In case of such conflicts, the auditor's report refers only to the auditing standards (either ISAs or the relevant national auditing standards) in accordance with which the auditor has complied with the reporting requirements.	35, A31, A32	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
62. When the auditor's report refers to both International Standards on Auditing and auditing standards of a specific jurisdiction or country, the auditor's report should identify the jurisdiction or country of origin of the auditing standards.	34	
<p>63. When the auditor prepares the auditor's report using the layout or wording specified by the law, regulation or auditing standards of the specific jurisdiction or country, the auditor's report should refer to the audit being conducted in accordance with both International Standards on Auditing and the auditing standards of the specific jurisdiction or country only if the auditor's report includes, at a minimum, each of the following elements:</p> <ul style="list-style-type: none"> (a) A title; (b) An addressee, as required by the circumstances of the engagement; (c) An introductory paragraph that identifies the financial statements audited; (d) A description of management's responsibility for preparing and presenting the financial statements; (e) A description of the auditor's responsibility to express an opinion on the financial statements and the scope of the audit, that includes: <ul style="list-style-type: none"> (i) A reference to the International Standards on Auditing and the auditing standards of the specific jurisdiction or country, and 	33	Footnote 6 was deleted because the matter is addressed in paragraph 2 of the proposed redrafted ISA.

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
<p>(ii) A description of the work an auditor performs in an audit.</p> <p>(f) An opinion paragraph containing an expression of opinion on the financial statements⁶ and a reference to the applicable financial reporting framework used to prepare the financial statements (including identifying the country of origin of the financial reporting framework that is not International Financial Reporting Standards or International Public Sector Accounting Standards);</p> <p>(g) The auditor's signature;</p> <p>(h) The date of the auditor's report; and</p> <p>(i) The auditor's address.</p>		
<p>64. The auditor may be obliged by national law or regulation to use a layout or wording in the auditor's report that differs from that described in this ISA. When the differences only relate to the layout and wording of the auditor's report, the auditor will be considered to have complied with the reporting requirements of the ISAs provided that the auditor's report includes, at a minimum, each of the elements identified in paragraph 63 – even if using the layout and wording specified by national laws or regulations. Where specific requirements in a particular jurisdiction do not conflict with ISAs, the auditor adopts the layout and wording used in this ISA so that users can more readily recognize the auditor's report as a report on an audit conducted in accordance with ISAs.</p>	A30	

⁶ Circumstances when the auditor needs to modify the auditor's opinion are addressed in ISA 705, "Modifications to the Opinion in the Independent Auditor's Report." In some circumstances, the auditor may not be able to express an opinion on the financial statements because the effect of a limitation on the scope of the audit is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence. In such circumstances, the auditor expresses a disclaimer of opinion.

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
Unaudited Supplementary Information Presented with Audited Financial Statements		
65. The auditor should be satisfied that any supplementary information presented together with the financial statements that is not covered by the auditor's opinion is clearly differentiated from the audited financial statements.	36	
66. As noted in paragraphs 21-22, the entity may be required to, or management may choose to, include supplementary information together with the financial statements. The auditor's opinion is considered to cover supplementary information that cannot be clearly differentiated from the financial statements because of its nature and how it is presented. In other circumstances, however, law or regulation may not require the supplementary information to be audited and management may not ask the auditor to include the supplementary information within the scope of the audit of the financial statements. When the supplementary information is not intended to be audited, the auditor considers whether that supplementary information is presented in a manner that could be construed as being covered by the auditor's opinion and, if so, asks management to change how the information is presented. The auditor considers, for example, where the unaudited information is presented in relation to the financial statements and any audited supplementary information, and whether it is clearly labeled as "unaudited." The auditor asks management to remove any cross references from the financial statements to unaudited supplementary schedules or unaudited notes because the demarcation between the audited and unaudited information would not be sufficiently clear. Unaudited notes that are intermingled with the audited notes can also be misinterpreted as being audited. Therefore, the auditor asks the entity to place the unaudited information outside of the financial statements, or, if that is not possible in the circumstances, at a minimum, place the unaudited notes together at the end of the required notes to the financial statements and clearly label them as unaudited.	37, A36, A37, A38	The text in paragraphs 21-22 of Amended ISA 700 was combined with the text in paragraphs 65-69 of Amended ISA 700. In light of the redrafted and repositioned text, the highlighted text was considered unnecessary. The principles reflected in the original text were not changed.
67. As noted in paragraph 19, when the auditor is aware that the 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 audited financial statements are presented in the	-	Since this text is included in paragraph A8 of the proposed redrafted ISA, it is not considered

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
auditor's report. This helps readers differentiate the financial statements from other information not covered by the auditor's opinion.		necessary to repeat it in this section.
68. If the auditor concludes that the entity's presentation of any unaudited supplementary information does not differentiate it sufficiently from the audited financial statements, the auditor should explain in the auditor's report that that information has not been audited.	-	Incorporated in paragraph 36 of the proposed redrafted ISA.
69. 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 audited financial statements. 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."	A39	
Effective Date		
70. This ISA is effective for auditors' reports dated on or after [date].	4	
Public Sector Perspective		
<p>1. <i>Some terms in this ISA such as "engagement partner" and "firm" should be read as referring to their public sector equivalents.</i></p> <p>2. <i>In the public sector, legislation governing the audit mandate may specify the layout of or words to be used in the auditor's report. When the auditor prepares the auditor's report using the layout or wording specified in such legislation, the auditor's report should refer to the audit being conducted in accordance with ISAs, and the legislation governing the audit mandate, only if the auditor's report includes, at a minimum, each of the elements specified in paragraph 65(a)-(j). As discussed in paragraph 66, where legislation governing the audit mandate does not conflict with ISAs, the auditor adopts the layout and wording used in this ISA so that users can more readily recognize the auditor's</i></p>		Text was deleted. Paragraph 1 is covered in the Glossary of Terms. Paragraph 2 is covered in paragraphs 33 and the related application material of the proposed redrafted ISA. Paragraph 3 is covered in paragraph 29 and the related application material of the proposed redrafted ISA.

ISA 700 (Amended as a result of ISA 800 (Revised))	New para.	Comment on proposed deletion or repositioning of highlighted text
<p><i>report as a report on an audit conducted in accordance with ISAs.</i></p> <p>3. <i>In addition, such legislation may specify the responsibilities of management and auditors in relation to the audit. The descriptions of such responsibilities included in the auditor's report will need to reflect the requirements of the legislation.</i></p>		

The Appendix is not reproduced as part of this supplement.

Mapping Document

Exhibit 3

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		Introduction	
		Scope of this ISA	
1	1	The purpose of this <u>This</u> International Standard on Auditing (ISA) is to establish standards and provide guidance on deals with the independent auditor's report issued as a result of an audit of general purpose financial statements. This ISA also establishes standards and provides guidance on <u>It also deals with</u> forming an opinion on <u>the</u> financial statements.	
4	2	<u>[Proposed]</u> ISA 705 <u>(Redrafted)</u> , "Modifications to the Opinion in the Independent Auditor's Report" contains additional standards and guidance on deals with circumstances that may result in a modified opinion, the type of modification required, and <u>how</u> the form and content of the auditor's report when the opinion is modified is affected in such circumstances. ISA 706, "Emphasis of Matter Paragraphs and Other Matter(s) Paragraphs in the Independent Auditor's Report" contains additional standards and guidance on deals with circumstances when the auditor considers including an Emphasis of Matter paragraph or an Other Matter(s) paragraph in the auditor's report, and the form and placement of such paragraphs.	
3	-	ISA 800, "Special Considerations—Audits of Special Purpose Financial Statements and Specific Elements, Accounts or Items of a Financial Statement" contains standards and guidance on the independent auditor's report issued as a result of an audit of financial statements prepared in accordance with a financial reporting framework designed to meet the financial information needs of specific users ("special purpose financial statements"), as well as on the independent auditor's report issued as a result of an audit of specific elements, accounts or items of a financial statement.	Reference considered unnecessary. Titles of proposed redrafted ISAs 700 and 800 (Revised) clearly describe their respective contents.

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
12	3	Consistency in the auditor's report, when the audit has been conducted in accordance with the <u>ISAs International Standards on Auditing</u> , promotes credibility in the global marketplace by making more readily identifiable those audits that have been conducted in accordance with globally recognized standards. It also helps to promote the reader's understanding and to identify unusual circumstances when they occur.	
		Effective Date	
70	4	This ISA is effective for auditors' reports dated on or after {date} <u>December 15, 2009</u> . ¹	
		<u>Objective</u>	
6	5	The auditor's report should contain a clear expression of the auditor's opinion on the financial statements. <u>The objectives of the auditor are to:</u> 6.(a) The auditor should evaluate <u>Form an opinion on the financial statements based on an evaluation of</u> the conclusions drawn from the audit evidence obtained as the basis for forming an opinion on the financial statements.; and (b) Express clearly that opinion through a written report that explains the basis of the opinion.	
		<u>Definitions</u>	
2	6	<u>For purposes of the ISAs, the following terms have the meanings attributed below:</u>	

¹ This effective date is provisional, but it will not be earlier than December 15, 2009.

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<p>(a) <u>“General purpose financial statements” – are</u> are financial statements prepared in accordance with <u>a general purpose framework</u>.</p> <p>(b) <u>General purpose framework – a</u> A financial reporting framework designed to meet the common financial information needs of a wide range of users.</p>	
2	7	Reference to “financial statements” in this ISA should be read as “general purpose financial statements,” and can be to a complete set of financial statements or a single financial statement. ²	
		<u>Requirements</u>	
		Forming an Opinion on the Financial Statements	
7	8	<p>When forming an <u>As a basis for the auditor’s</u> opinion on the financial statements, the auditor <u>shall</u> evaluates <u>and conclude</u> whether, based on the audit evidence, reasonable assurance has been obtained about whether the financial statements taken as a whole are free from material misstatement. This involves concluding <u>In making this evaluation, the auditor shall take into account the auditor’s conclusions regarding:</u></p> <p>(a) Whether sufficient appropriate audit evidence has been obtained to reduce to an acceptably low level the risks of material misstatement of the financial statements³, in accordance with [proposed] ISA 330 (Redrafted), “The Auditor’s Responses to</p>	Aligning text with that of [proposed] ISA 450 (Redrafted).

² The requirements of the applicable financial reporting framework determine the form and content of the financial statements and what constitutes a complete set of financial statements.

³ See ISA 330, “The Auditor’s Procedures in Response to Assessed Risks.”

⁴ See ISA 450, “Evaluation of Misstatements Identified During the Audit.”

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<p><u>Assessed Risks,” and</u></p> <p><u>(b) The results of the evaluating the effects evaluation of the uncorrected misstatements identified and the qualitative aspects of the entity’s accounting practices, in accordance with [proposed] ISA 450, “Evaluation of Misstatements Identified during the Audit.”⁴</u></p>	
8	9	<p><u>When forming the auditor’s opinion on the financial statements, T</u>he auditor also shall evaluates <u>and conclude</u> whether the financial statements have been <u>are</u> prepared and presented in accordance with the specific requirements of the applicable financial reporting framework. This evaluation <u>shall</u> includes s-considering whether, in view of the specific requirements of the applicable financial reporting framework:</p> <p>(a) The financial statements adequately disclose the significant accounting policies selected and applied, and significant interpretations by management of regulatory or legal requirements. In jurisdictions where the applicable financial reporting framework is so codified as to preclude a choice of accounting policies or significant interpretations by management, a reference to the applicable financial reporting framework may suffice;</p> <p>(b) The accounting policies selected and applied are consistent with the applicable financial reporting framework and are appropriate;</p> <p>(c) The accounting estimates made by management are reasonable;</p> <p>(d) The information presented in the financial statements is relevant, reliable, comparable and understandable;</p> <p>(e) The financial statements provide adequate disclosures to enable the intended users to</p>	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<p>understand the effect of material transactions and events on the information conveyed in the financial statements, for example, in the case of financial statements prepared and presented in accordance with many general purpose frameworks, the entity's financial position, financial performance and cash flows; and</p> <p>(f) The terminology used in the financial statements, including their titles, is appropriate.</p>	
8	10	The auditor <u>shall also</u> evaluates whether the financial statements adequately refer to or describe the applicable financial reporting framework.	
9	11	<p>Forming an opinion on When the financial statements <u>are</u> prepared and presented in accordance with a fair presentation framework, <u>in forming the auditor's opinion on the financial statements, the auditor shall also</u> involves evaluating <u>evaluate and conclude</u> whether those <u>the</u> financial statements achieve fair presentation. The auditor's <u>evaluation shall include</u> considers <u>consideration of:</u></p> <p>(a) † <u>The overall presentation, structure and content of the financial statements;</u> <u>and</u></p> <p>(b) The auditor also considers w <u>Whether the financial statements, including the related explanatory notes, faithfully represent the underlying transactions and events in a manner that achieves fair presentation.</u></p>	
		<u>Form of Opinion</u>	
35	12	<p><u>The auditor shall express A</u> an unmodified opinion should be expressed when the auditor concludes that the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework <u>and, in the case of a fair presentation framework, that the financial statements give a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework (see</u></p>	Highlighting the difference in the wording of the auditor's opinion when the applicable financial reporting framework is a fair presentation

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<u>paragraph 26</u> . (Ref: Para. A1)	framework.
10	13	There may be cases where the When financial statements, although prepared and presented in accordance with the specific requirements of a fair presentation framework, do not achieve fair presentation, <u>the auditor shall discuss the matter with management.</u> If management does not do so <u>attend to the matter</u> , the auditor considers <u>shall determine</u> the need to modify the opinion in the auditor's report in accordance with ISA 705. (Ref: Para. A2)	
11	14	When financial statements are prepared and presented in accordance with a compliance framework, which is acceptable in the circumstances of the entity, it will be extremely rare for the auditor to consider such financial statements to be <u>are</u> misleading in the auditor's professional judgment. However, if the auditor encounters such extremely rare circumstances (i.e., where, in the auditor's professional judgment, the financial statements are misleading), the auditor <u>shall</u> discuss the matter with management and shall considers <u>determine</u> whether, and how, to deal with the matter in the auditor's report. (Ref: Para. A3)	
		Elements of the Auditor's Report ⁵	
		<i>Auditor's Report</i>	
56	15	The auditor's report should <u>shall</u> be in writing. (Ref: Para. A4-A5)	
		<u>Auditor's Report for Audits Conducted in Accordance with International Standards on Auditing</u>	

⁵ Paragraphs 59–64 address the auditor's report when the audit has been conducted in accordance with both ISAs and auditing standards of a specific jurisdiction or country.

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<p>13. Paragraphs 14-55 set out the requirements relating to the following elements of the auditor's report:</p> <p>(a) Title;</p> <p>(b) Addressee;</p> <p>(c) Introductory paragraph;</p> <p>(d) Management's responsibility for the financial statements;</p> <p>(e) Auditor's responsibility;</p> <p>(f) Auditor's opinion;</p> <p>(g) Other matters;</p> <p>(h) Other reporting responsibilities;</p> <p>(i) Auditor's signature;</p> <p>(j) Date of the auditor's report; and</p> <p>(k) Auditor's address.</p>	Splitting requirements and application material reduced the volume of text and made the summary unnecessary.
		Title	
14	16	The auditor's report should <u>shall</u> have a title that clearly indicates that it is the report of an independent auditor. (Ref: Para. A6)	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		Addressee	
16	17	The auditor's report should <u>shall</u> be addressed as required by the circumstances of the engagement. (Ref: Para. A7)	
		Introductory Paragraph	
18	18	<p>The introductory paragraph in the auditor's report should identify the entity whose financial statements have been audited and should state that the financial statements have been audited. The introductory paragraph should also <u>shall in an introductory paragraph:</u></p> <p>(a) Identify the entity whose financial statements have been audited;</p> <p>(b) State that the financial statements have been audited;</p> <p>(c) Identify the title of each statement that comprises the financial statements;</p> <p>(d) Refer to the summary of significant accounting policies and other explanatory notes; and</p> <p>(e) Specify the date or period covered by each financial statement comprising the financial statements. (Ref: Para. A8-A9)</p>	
		Management's Responsibility for the Financial Statements	
24	19	The auditor's report should <u>shall</u> state that management is responsible for preparing and presenting the preparation and presentation of the financial statements in accordance with the applicable financial reporting framework and that this responsibility includes:	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<p>(a) Designing, implementing and maintaining internal control relevant to preparing and presenting the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error;</p> <p>(b) Selecting and applying appropriate accounting policies; and</p> <p>(c) Making accounting estimates that are reasonable in the circumstances. (Ref: Para. A10- A12)</p>	
24	20	Where the phrases “give a true and fair view” or “are presented fairly, in all material respects,” are used to express the auditor’s opinion on the financial statements, the statement of management’s responsibility for the financial statements shall refers to “the preparation and fair presentation of the financial statements” instead of “preparation and presentation.”	
		Auditor’s Responsibility	
28	21	The auditor’s report should shall state that the responsibility of the auditor is to express an opinion on the financial statements based on the audit. (Ref: Para. A13)	
30	22	The auditor’s report should shall state that the audit was conducted in accordance with International Standards on Auditing. The auditor’s report should shall also explain that those standards require that the auditor comply with ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. (Ref: Para. A14-A15)	
33	23	<p>The auditor’s report should shall describe an audit by stating that:</p> <p>(a) An audit involves performing procedures to obtain audit evidence about the amounts</p>	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<p>and disclosures in the financial statements;</p> <p>(b) The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. In circumstances when the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor should <u>shall</u> omit the phrase that the auditor’s consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of internal control; and</p> <p>(c) An audit also includes evaluating the appropriateness of the accounting policies used, the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements.</p>	
33	24	Where the phrases “give a true and fair view” or “are presented fairly, in all material respects,” are used to express the auditor’s opinion on the financial statements, the description of the audit <u>shall</u> refers to “the preparation and fair presentation of the financial statements” instead of “preparation and presentation.”	
34	25	The auditor’s report should <u>shall</u> state that the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor’s opinion.	
		Auditor’s Opinion	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
36	26	When expressing an unmodified opinion on financial statements prepared and presented in accordance with a fair presentation framework, the opinion paragraph of the auditor's report should <u>shall</u> state the auditor's opinion that the financial statements give a true and fair view or present fairly, in all material respects, in accordance with the applicable financial reporting framework (unless otherwise required by law or regulation). In all other cases, the auditor's opinion paragraph should <u>shall</u> state that the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework. (Ref: Para. A16-A17)	
39	27	<u>The auditor's opinion shall identify the applicable financial reporting framework on which the financial statements are based.</u> When <u>the applicable financial reporting framework is not</u> International Financial Reporting Standards (IFRSs) or International Public Sector Accounting Standards (IPSASs) are not used as the financial reporting framework, the reference to the financial reporting framework in the wording of the opinion should, the reference to the framework shall identify the jurisdiction or country of origin of the financial reporting framework. (Ref: Para. A18-A20)	This requirement was implied by the text in paragraph 39 of Amended ISA 700; however, it was not explicitly stated in the ISA. It now forms the basis for the requirement in the second sentence of the paragraph.
		<u>Other Matter(s)</u>	
43	28	<u>When S</u> standards, laws or generally accepted practice in a jurisdiction may require or permit the auditor to elaborate on matters that provide further explanation of the auditor's responsibilities in the audit of the financial statements or of the auditor's report thereon. <u>S</u> such matters may shall be addressed in a separate paragraph following the auditor's opinion. (Ref: Para. A21)	
		Other Reporting Responsibilities	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
46	29	When the auditor addresses other reporting responsibilities, <u>which are supplementary to the auditor's responsibility to express an opinion on the financial statements</u> , within the auditor's report on the financial statements, these other reporting responsibilities should <u>shall</u> be addressed in a separate section in the auditor's report that follows <u>following</u> the auditor's opinion paragraph. (Ref: Para. A22-A24)	Text provides context to the requirement.
		Auditor's Signature <u>of the Auditor</u>	
48	30	The auditor's report should <u>shall</u> be signed. (Ref: Para. A25)	
		Date of the Auditor's Report	
50	31	The auditor's report should <u>shall be</u> dated the report on the financial statements no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the opinion on the financial statements. Sufficient appropriate audit evidence should <u>shall</u> include evidence that: (a) a All the statements that comprise the financial statements have been prepared; and (b) t That those with the recognized authority have asserted that they have taken responsibility for them. (Ref: Para. A26-A29)	
		Auditor's Address	
55	32	The <u>auditor's</u> report should <u>shall</u> name the location in the country or jurisdiction where the auditor practices.	
		<i>Auditor's Report for Audits Conducted in Accordance with Both ISAs <u>International</u></i>	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<i><u>Standards on Auditing</u> and Auditing Standards of a Specific Jurisdiction or Country</i>	
59, 63	33	<p><u>When T</u>he auditor <u>may has</u> conducted the audit in accordance with both the <u>ISAs</u> <u>International Standards on Auditing</u> and the auditing standards of a specific jurisdiction or country (for purposes of this ISA referred to as “national auditing standards”), <u>the auditor’s report shall refer to both the International Standards on Auditing and the national auditing standards only if: (Ref: Para. A30-A32)</u></p> <p><u>(a) The auditor has complied with both the International Standards on Auditing and the national auditing standards and there is no conflict between the reporting requirements regarding the auditor’s report in the International Standards on Auditing and those in the national auditing standards that affects the auditor’s opinion or the need to include an Emphasis of Matter(s) paragraph in the particular circumstances (see paragraph 35); and</u></p> <p><u>63.(b) When the auditor prepares the auditor’s report using the layout or wording specified by the law, regulation or auditing standards of the specific jurisdiction or country, the auditor’s report should refer to the audit being conducted in accordance with both International Standards on Auditing and the auditing standards of the specific jurisdiction or country only if t</u>The auditor’s report includes, at a minimum, each of the following elements:</p> <p><u>(ai) A title;</u></p>	This section of Amended ISA 700 was restructured to clearly distinguish between circumstances in which reference is made to both the ISAs and the national standards and those in which reference is limited to either the ISAs or the national standards. The principles reflected in the original text were not changed.

⁶—Circumstances when the auditor needs to modify the auditor’s opinion are addressed in ISA 705, “Modifications to the Opinion in the Independent Auditor’s Report.” In some circumstances, the auditor may not be able to express an opinion on the financial statements because the effect of a limitation on the scope of the audit is so material and pervasive that the auditor has not been able to obtain sufficient appropriate audit evidence. In such circumstances, the auditor expresses a disclaimer of opinion.

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<p>(bji) An addressee, as required by the circumstances of the engagement;</p> <p>(eiii) An introductory paragraph that identifies the financial statements audited;</p> <p>(div) A description of management’s responsibility for preparing and presenting the financial statements;</p> <p>(ev) A description of the auditor’s responsibility to express an opinion on the financial statements and the scope of the audit, that includes:</p> <ul style="list-style-type: none"> • _____ (i) A reference to the International Standards on Auditing and the <u>national</u> auditing standards of the specific jurisdiction or country; and • _____ (ii) A description of the work an auditor performs in an audit; <p>(fvi) An opinion paragraph containing an expression of opinion on the financial statements⁶ and a reference to the applicable financial reporting framework used to prepare the financial statements (including identifying the country of origin of the financial reporting framework that is not International Financial Reporting Standards or International Public Sector Accounting Standards);</p> <p>(gvii) The auditor’s signature;</p> <p>(hviii) The date of the auditor’s report; and</p> <p>(ix) The auditor’s address.</p>	
62	34	<p>When the auditor’s report refers to both <u>the</u> International Standards on Auditing and <u>the national</u> auditing standards of a specific jurisdiction or country, the auditor’s report should</p>	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<u>shall</u> identify the jurisdiction or country of origin of the <u>national</u> auditing standards.	
61	35	A reference to both the ISAs and national auditing standards is not appropriate if <u>When</u> there is a conflict between the reporting requirements regarding the auditor's report in the ISAs <u>International Standards on Auditing</u> and those in the national auditing standards that affects the auditor's opinion or the need to include an Emphasis of Matter(s) paragraph in the particular circumstances. In case of such conflicts, the auditor's report <u>shall</u> refer only to the auditing standards (either the ISAs <u>International Standards on Auditing</u> or the relevant national auditing standards) in accordance with which the auditor has complied with the reporting requirements. (Ref: Para. A32)	
		Unaudited Supplementary Information Presented with Audited the Financial Statements	
65	36	The auditor should be satisfied that any s Supplementary information <u>that is</u> presented together with the financial statements <u>and</u> that <u>cannot be clearly differentiated from the audited financial statements, either because of its nature or how it is presented, is not shall be</u> covered by the auditor's opinion is clearly differentiated from the audited financial statements. (Ref: Para. A33-A35)	The text in paragraphs 21-22 of Amended ISA 700 was combined with the text in paragraphs 65-69 of Amended ISA 700. In light of the redrafted and repositioned text, the highlighted text was considered unnecessary. The principles reflected in the original text were not changed.
66	37	When the supplementary information is not intended to be audited, the auditor <u>shall considers evaluate</u> whether that supplementary information is <u>clearly differentiated from the audited financial statements and</u> presented in a manner that could <u>not</u> be construed as being	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		covered by the auditor's opinion and, if so, <u>If not the case, the auditor shall</u> asks management to change how the <u>unaudited supplementary</u> information is presented. <u>If management refuses to do so, the auditor shall explain in the auditor's report that that information has not been audited.</u> (Ref: Para. A36-A39)	
68	-	If the auditor concludes that the entity's presentation of any unaudited supplementary information does not differentiate it sufficiently from the audited financial statements, the auditor should explain in the auditor's report that that information has not been audited.	Incorporated in paragraph 36 of the proposed redrafted ISA.

		Application and Other Explanatory Material	
		<u>Form of Opinion (Ref: Para. 12-14)</u>	
	A1	<u>In accordance with [proposed] ISA 705 (Redrafted), the auditor expresses a modified opinion when:</u> <u>(a) The auditor concludes that, based on the audit evidence obtained, the financial statements are not free from material misstatement; or</u> <u>(b) The auditor is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements are free from material misstatement.</u>	Paragraph 12 deals with the form of opinion when it is unmodified. This paragraph provides a link to [proposed] ISA 705 (Redrafted), which deals with modified opinions.
10	A2	There may be cases where the financial statements, although prepared and presented in accordance with the specific requirements of a fair presentation framework, do not achieve fair presentation. Where this is the case, management has a responsibility to provide disclosures beyond the specific requirements of the framework or, in extremely rare circumstances, to depart from a specific requirement in the framework to achieve fair	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		presentation of the financial statements, as explained in <u>[proposed] ISA 200 (Revised and Redrafted)</u> , “ <u>Overall Objective of the Independent Auditor</u> , and General Principles Governing Principal Concepts Relevant to an Audit of Financial Statements.”	
11	A3	When financial statements are prepared and presented in accordance with a compliance framework, which <u>the auditor has determined</u> is acceptable in the circumstances of the entity , it will be extremely rare for the auditor to consider such financial statements to be misleading. However, if the auditor encounters such extremely rare circumstances (i.e., where, in the auditor’s professional judgment, the financial statements are misleading), the auditor <u>is required to</u> discusses the matter with management and <u>to</u> considers whether, and how, to deal with the matter in the auditor’s report. The auditor’s response, if any, will depend on whether, and how, management addresses the matter in the financial statements.	
		Elements of the Auditor’s Report ⁷ <u>(Ref: Para. 15)</u>	
		<u>Auditor’s Report</u>	
57	A4	A written report encompasses both reports issued in hard copy format and those using an electronic medium.	
58	A5	The Appendix contains illustrations of auditors’ reports on general purpose financial statements, incorporating the elements set forth above <u>in paragraphs 16-32</u> .	
		<u>Auditor’s Report for Audits conducted in Accordance with International Standards on Auditing</u>	

⁷—~~Paragraphs 59–64 address the auditor’s report when the audit has been conducted in accordance with both ISAs and auditing standards of a specific jurisdiction or country.~~

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		Title (Ref: Para. 16)	
15	A6	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.	
		Addressee (Ref: Para. 17)	
17	A7	National laws or regulations often specify to whom the auditor’s report should <u>is to</u> be addressed in that particular jurisdiction. Ordinarily, the auditor’s report is <u>normally</u> addressed to those for whom the report is prepared, often either to the shareholders or to those charged with governance of the entity whose financial statements are being audited.	
		Introductory Paragraph (Ref: Para. 18)	
19	A8	This requirement is ordinarily met by stating <u>The introductory paragraph states, for example,</u> that the auditor has audited the accompanying financial statements of the entity, which comprise [state the title of each financial statement comprising the complete set of financial statements required by the applicable financial reporting framework (or, where applicable, the title of the single financial statement), specifying the date or period covered by each financial statement] and referring to the summary of significant accounting policies and other explanatory notes. In addition, when the auditor is aware that the financial statements will be included in a document that contains other information, such as an annual report, the auditor may consider, if the form of presentation allows, identifying the page numbers on which the financial statements are presented. This helps readers to identify the financial statements to which the auditor’s report relates.	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
20	A9	In the case of a complete set of financial statements, the auditor's opinion covers the complete set of financial statements as defined by the applicable financial reporting framework. For example, in the case of financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) , this includes: a balance sheet, an income statement, a statement of changes in equity, a cash flow statement, and a summary of significant accounting policies and other explanatory notes. In some jurisdictions additional information might also be considered to be an integral part of the financial statements.	
		Management's Responsibility for the Financial Statements (Ref: Para. 19)	
25	A10	Financial statements are the representations of management. [Proposed] ISA 200 (Revised and Redrafted) explains the premises, relating to management's responsibilities, on which an audit is conducted. It is important this premises is described in the auditor's report. In accordance with [proposed] ISA 200 (Revised and Redrafted), management management is responsible for preparing and presenting the financial statements in accordance with the applicable financial reporting framework. For example, in the case of many general purpose frameworks, management is responsible for preparing financial statements that fairly present the financial position, financial performance and cash flows of the entity in accordance with those frameworks. To fulfill this responsibility, management designs and implements internal control ⁸ to prevent or to detect and correct misstatements, whether due to fraud or error, in order to ensure the reliability of the entity's financial reporting. The preparation of the financial statements requires management to exercise judgment in making accounting estimates that are reasonable in the circumstances, as well as to select and apply appropriate	Text was amended to align it with [proposed] ISA 200 (Revised and Redrafted).

⁸ In some jurisdictions, law or regulation prescribing management's responsibilities may specifically refer to a responsibility for the adequacy of accounting books and records, or accounting system. As books, records and systems are an integral part of internal control (as defined in ISA 315 [\(Redrafted\)](#), "[Identifying and Assessing the Risks of Material Misstatements Through](#) Understanding the Entity and Its Environment ~~and Assessing the Risks of Material Misstatement~~"), no specific reference is made to them in paragraph ~~24.17~~ for the description of management's responsibilities.

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		accounting policies. These judgments are made in the context of the applicable financial reporting framework.	
26	A11	There may be circumstances when it is appropriate for the auditor to add to the description of management's responsibilities in paragraph 24.19 to reflect additional responsibilities that are relevant to preparing and presenting the financial statements in the context of the particular jurisdiction or the nature of the entity	
27	A12	The term management has been used in this ISA to describe those responsible for preparing and presenting the financial statements. Other terms may be appropriate depending on the legal framework in the particular jurisdiction. For example, in some jurisdictions, the appropriate reference may be to those charged with governance (for example, the directors).	
		Auditor's Responsibility (Ref: Para. 21-22)	
29	A13	The auditor's report states that the auditor's responsibility is to express an opinion on the financial statements based on the audit in order to contrast it to management's responsibility for preparing and presenting the financial statements.	
31	A14	The reference to the standards used conveys to the reader that the audit has been conducted in accordance with established standards.	
32	A15	In accordance with [proposed] ISA 200 (Revised and Redrafted), the auditor should does not describe the audit as being conducted in accordance with the ISAs International Standards on Auditing unless the auditor has complied fully with all of the ISAs International Standards on Auditing relevant to the audit. In accordance with ISA 200, the auditor may in exceptional circumstances judge it necessary to depart from a basic principle or an essential procedure that is relevant in the circumstances of the audit in order	The requirement is established in [proposed] ISA 200 (Revised and Redrafted). This paragraph was amended to refer to the requirement in that ISA rather than repeating it here. Text was

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		to achieve the objective of the audit. In such a case, the auditor is not precluded from representing compliance with ISAs, provided the departure is appropriately documented as required by ISA 230 (Revised), “Audit Documentation.”	deleted because the matter is dealt with in [proposed] ISA 230 (Redrafted).
		Auditor’s Opinion (Ref: Para. 26-27)	
37	A16	The phrases “give a true and fair view” and “present fairly, in all material respects,” are equivalent for purposes of the ISAs International Standards on Auditing . Which of these phrases is used in any particular jurisdiction is determined by the law or regulation governing the audit of financial statements in that jurisdiction, or by established practice in that jurisdiction. Where law or regulation requires the use of different wording, the auditor’s responsibility to evaluate the fair presentation of financial statements prepared and presented in accordance with a fair presentation framework is the same. ISA 210, “Terms of Audit Engagements” deals with circumstances where law or regulation prescribes wording for the auditor’s opinion that differs significantly from the wording described in this ISA.	Clarity enhanced by cross-referring to ISA 210, which deals with the matter referred to in this paragraph.
38	A17	In the case of financial statements prepared and presented in accordance with a fair presentation framework, the the auditor’s opinion states that the financial statements give a true and fair view of or present fairly, in all material respects, the information that the financial statements are designed to present (which is determined by the financial reporting framework). For example, in the case of a complete set of financial statements prepared in accordance with many International Financial Reporting frameworks Standards, the auditor expresses an auditor’s opinion states that the financial statements give a true and fair view of or present fairly, in all material respects, the financial position of the entity as at the end of the period and the entity’s financial performance and cash flows for the period then ended.	
40	A18	To advise the reader of the context in which the auditor’s opinion is expressed, the auditor’s	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		opinion identifies the applicable financial reporting framework on which the financial statements are based. 41. For example, in the case of a complete set of financial statements prepared in accordance with IFRSs <u>International Financial Reporting Standards</u> , the auditor expresses an <u>the auditor's</u> opinion <u>states</u> that the financial statements give a true and fair view of or present fairly, in all material respects, the financial position of the entity as at the end of the period and the entity's financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.	
40	A19	When the applicable financial reporting framework is not IFRSs <u>International Financial Reporting Standards</u> or IPSASs <u>International Public Sector Accounting Standards</u> , the auditor's opinion <u>reference to the framework</u> also identifies the jurisdiction or country of origin of the <u>applicable financial reporting</u> framework. The auditor identifies the applicable financial reporting framework <u>is identified</u> in such terms as: “... in accordance with International Financial Reporting Standards” or “... in accordance with accounting principles generally accepted in Country X ...”	
42	A20	When the applicable financial reporting framework encompasses financial reporting standards supplemented by and legal or regulatory requirements, the auditor identifies the <u>applicable financial reporting</u> framework <u>is identified</u> in such terms as: “... in accordance with International Financial Reporting Standards and the requirements of Country X Corporations Act.” (ISA 210, “Terms of Audit Engagements” contains standards and guidance for deals with circumstances where there are conflicts between the financial reporting standards and the legislative or regulatory requirements.)	
		Other Matters (<u>Ref: Para. 28</u>)	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
43	A21	<u>[Proposed]</u> ISA 706 <u>(Redrafted)</u> contains standards and guidance for deals with other circumstances in which the inclusion of an other matter(s) paragraphs in the auditor's report <u>may be appropriate</u> .	
		Other Reporting Responsibilities <u>(Ref: Para. 29)</u>	
44	A22	In some jurisdictions, the auditor may have additional responsibilities to report on other matters that are supplementary to the auditor's responsibility to express an opinion on the financial statements. For example, the auditor may be asked to report certain matters if they come to the auditor's attention during the course of the audit of the financial statements. Alternatively, the auditor may be asked to perform and report on additional specified procedures, or to express an opinion on specific matters, such as the adequacy of accounting books and records. Auditing standards in the specific jurisdiction or country often provide guidance on the auditor's responsibilities with respect to specific additional reporting responsibilities in that jurisdiction or country.	
45	A23	In some cases, the relevant standards or laws may require or permit the auditor to report on these other responsibilities within the auditor's report on the financial statements. In other cases, the auditor may be required or permitted to report on them in a separate report.	
47	A24	The auditor addresses t These other reporting responsibilities <u>are addressed</u> in a separate section of the report in order to clearly distinguish them from the auditor's responsibilities for, and opinion on, the financial statements.	
		Auditor's Signature <u>(Ref: Para. 30)</u>	
49	A25	The auditor's signature is either in the name of the audit firm, the personal name of the auditor or both, as appropriate for the particular jurisdiction. In addition to the auditor's	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		signature, in certain jurisdictions, the auditor may be required to declare <u>in the auditor's report</u> the auditor's professional accountancy designation or the fact that the auditor or firm, as appropriate, has been recognized by the appropriate licensing authority in that jurisdiction.	
		Date of the Auditor's Report <u>(Ref: Para. 31)</u>	
51	A26	The date of the auditor's report informs the reader that the auditor has considered the effect of events and transactions of which the auditor became aware and that occurred up to that date. The auditor's responsibility for events and transactions after the date of the auditor's report is addressed in <u>[proposed]</u> ISA 560 <u>(Redrafted)</u> , "Subsequent Events."	
52	A27	Since the auditor's opinion is provided on the financial statements and the financial statements are the responsibility of management, the auditor is not in a position to conclude that sufficient appropriate audit evidence has been obtained until the auditor obtains evidence <u>is obtained</u> that all the statements that comprise the financial statements have been prepared and management has accepted responsibility for them.	
53	A28	In some jurisdictions, the law or regulation identifies the individuals or bodies (for example, the directors) that are responsible for concluding that all the statements that comprise the financial statements have been prepared, and specifies the necessary approval process. In such cases, the auditor obtains evidence <u>is obtained</u> of that approval before dating the report on the financial statements. ⁹ In other jurisdictions, however, the approval process is not prescribed in law or regulation. In such cases, the auditor takes into account the procedures the entity follows in preparing and finalizing its financial statements in view of its management and governance structures <u>is considered</u> in order to identify the individuals or	

⁹ In rare circumstances, law or regulation also identifies the point in the financial statement reporting process at which the audit is expected to be complete.

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		body with the authority to conclude that all the statements that comprise the financial statements, including the related notes, have been prepared.	
54	A29	In some jurisdictions, final approval of the financial statements by shareholders is required before the financial statements are issued publicly. In these jurisdictions, final approval by shareholders is not necessary for the auditor to conclude that sufficient appropriate audit evidence has been obtained. The date of approval of the financial statements for purposes of the ISAs <u>International Standards on Auditing</u> is the earlier date on which those with the recognized authority determine that all the statements that comprise the financial statements have been prepared.	
		<i>Auditor's Report for Audits Conducted in Accordance with Both ISAs <u>International Standards on Auditing</u> and Auditing Standards of a Specific Jurisdiction or Country (Ref: Para. 33, 35)</i>	
60	-	<u>As required in paragraph 32, the auditor's report refers to the audit having been conducted in accordance with the International Standards on Auditing only when the auditor has complied fully with all of the International Standards on Auditing relevant to the audit.</u>	See paragraph A15 of the proposed redrafted ISA, which refers to the requirement in [proposed] ISA 200 (Revised and Redrafted). It was not considered necessary to repeat the reference here.
64	A30	<u>[Proposed] ISA 200 (Revised and Redrafted) explains that the auditor may be required to comply with other professional, legal or regulatory requirements in addition to the ISAs. Where this is the case, the auditor may be obliged by national law or regulation to use a layout or wording in the auditor's report that differs from that described in this ISA. When the differences only relate to the layout and wording of the auditor's report, the auditor will</u>	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		be considered to have complied with the reporting requirements of the ISAs <u>International Standards on Auditing</u> provided that the auditor's report includes, at a minimum, each of the elements identified in paragraph 63 <u>33(b)</u> – even if using the layout and wording specified by national those professional, laws legal or regulations <u>regulatory requirements</u> . Where specific requirements in a particular jurisdiction do not conflict with ISAs <u>International Standards on Auditing</u> , the auditor <u>is encouraged to</u> adopt s the layout and wording used in this ISA so that users can more readily recognize the auditor's report as a report on an audit conducted in accordance with ISAs <u>International Standards on Auditing</u> .	
61	A31	The auditor may refer to the audit having been conducted in accordance with both <u>the ISAs International Standards on Auditing</u> as well as <u>the</u> national auditing standards when the auditor complies with each of the ISAs <u>International Standards on Auditing</u> relevant to the audit and performs any additional audit procedures necessary to comply with the relevant <u>national auditing</u> standards of that jurisdiction or country .	
61	A32	A reference to both the ISAs <u>International Standards on Auditing</u> and <u>the</u> national auditing standards is not appropriate if there is a conflict between the reporting requirements regarding the auditor's report in the ISAs <u>International Standards on Auditing</u> and <u>those</u> in the national auditing standards that affects the auditor's opinion or the need to include an <u>e</u> e Emphasis of m <u>M</u> atter paragraph in the particular circumstances. For example, some national auditing standards prohibit the auditor from including an <u>e</u> e Emphasis of m <u>M</u> atter paragraph to highlight a going concern problem, whereas ISA 570, "Going Concern" requires the auditor to add an <u>e</u> e Emphasis of m <u>M</u> atter paragraph in such circumstances.	
		Unaudited Supplementary Information Presented with <u>Audited the</u> Financial Statements (Ref: Para. 36-37)	
21	A33	In some circumstances, the entity may be required by law, or <u>or</u> regulation or standards, or may	The text in paragraphs 21-22 of

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		voluntarily choose, to present together with the financial statements supplementary information that is not required by the applicable financial reporting framework. For example, supplementary information might be presented to enhance a user's understanding of the applicable financial reporting framework or to provide further explanation of specific financial statement items. Such information is normally presented in either supplementary schedules or as additional notes. The auditor's opinion may or may not cover the supplementary information and it is therefore important for the auditor to be satisfied that any supplementary information that is not covered by the auditor's opinion is clearly differentiated, as discussed in paragraphs 65-69.	Amended ISA 700 was combined with the text in paragraphs 65-69 of Amended ISA 700. In light of the redrafted and repositioned text, the highlighted text was considered unnecessary. The principles reflected in the original text were not changed.
22	A34	In some circumstances, the <u>The auditor's opinion is considered to cover</u> supplementary information information that cannot be clearly differentiated from the financial statements because of its nature and or how it is presented. Such supplementary information is covered by the auditor's opinion. For example, the auditor's opinion covers notes or supplementary schedules that are cross-referenced from the financial statements. This would also be the case when the notes to the financial statements include an explanation of the extent to which the financial statements comply with another financial reporting framework.	
23	A35	Supplementary information that is presented as an integral part of the financial statements covered by the auditor's opinion does not need to be specifically referred to in the introductory paragraph of the auditor's report when the reference to the notes in the description of the statements that comprise the financial statements in the introductory paragraph is sufficient.	
66	A36	As noted in paragraphs 21-22, the entity may be required to, or management may choose to, include supplementary information together with the financial statements. The auditor's opinion is considered to cover supplementary information that cannot be clearly differentiated from the financial statements because of its nature and how it is presented. In	The text in paragraphs 21-22 of Amended ISA 700 was combined with the text in paragraphs 65-69 of Amended

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<p>other circumstances, however, If law or regulation may not require the supplementary information to be audited and management may not ask the auditor to include the supplementary information within the scope of the audit of the financial statements. When the supplementary information is not intended to be audited,</p>	ISA 700. In light of the redrafted and repositioned text, the highlighted text was considered unnecessary. The principles reflected in the original text were not changed.
66	A37	<p>†The auditor's considers evaluation whether that unaudited supplementary information is presented in a manner that could be construed as being covered by the auditor's opinion and, if so, asks management to change how the information is presented. The auditor considers includes, for example, where the unaudited that information is presented in relation to the financial statements and any audited supplementary information, and whether it is clearly labeled as "unaudited."</p>	
66	A38	<p>The auditor asks mManagement <u>could change the presentation of unaudited supplementary information that could be construed as being covered by the auditor's opinion, for example, by:</u></p> <p>(a) to remove Removing any cross references from the financial statements to unaudited supplementary schedules or unaudited notes because the demarcation between the audited and unaudited information would not be sufficiently clear. Unaudited notes that are intermingled with the audited notes can also be misinterpreted as being audited.</p> <p>(b) Therefore, the auditor asks the entity to place <u>Placing</u> the unaudited <u>supplementary</u> information outside of the financial statements; or, if that is not possible in the circumstances, at a minimum, place the unaudited notes together at the end of the required notes to the financial statements and clearly label them as unaudited.</p>	

Para. of Amended ISA 700	Para. ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted) – Showing Proposed Changes to Text of ISA 700 (Amended as a Result of ISA 800 (Revised)) in Mark-up	Comments Relating to Highlighted Text
		<u>Unaudited notes that are intermingled with the audited notes can be misinterpreted as being audited.</u>	
67	-	As noted in paragraph 19, when the auditor is aware that the 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 audited financial statements are presented in the auditor's report. This helps readers differentiate the financial statements from other information not covered by the auditor's opinion.	The text in paragraphs 21-22 of Amended ISA 700 was combined with the text in paragraphs 65-69 of Amended ISA 700. In light of the redrafted and repositioned text, the highlighted text was considered unnecessary. The principles reflected in the original text were not changed.
69	A39	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 audited financial statements. The auditor's responsibilities with respect to unaudited supplementary information are consistent with those described in <u>[proposed] ISA 720 (Redrafted)</u> , " <u>The Auditor's Responsibility in Relation to</u> Other Information in Documents Containing Audited Financial Statements."	

The Appendix is not reproduced as part of this supplement.