

## The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statements and the Auditor's Report Thereon—Proposed Conforming Amendments

### Note to the IAASB:

1. The following proposed conforming amendments will be included as part of the package with the exposure draft of proposed revised ISA 720<sup>1</sup> and consequential amendments to ISAs 260 and 700.<sup>2</sup>
2. Where only changes to paragraph numbers or ISA title are required, these have not been noted in the proposed conforming amendments below.

### ISA 450, *Evaluation of Misstatements Identified during the Audit*, paragraph A16

A16. The circumstances related to some misstatements may cause the auditor to evaluate them as material, individually or when considered together with other misstatements accumulated during the audit, even if they are lower than materiality for the financial statements as a whole. Circumstances that may affect the evaluation include the extent to which the misstatement:

- ...
- Is an omission of information not specifically required by the applicable financial reporting framework but which, in the judgment of the auditor, is important to the users' understanding of the financial position, financial performance or cash flows of the entity; or
- Affects other information that will be communicated in documents containing or accompanying the audited financial statements and the auditor's report thereon (for example, information to be included in a "Management Discussion and Analysis" or an "Operating and Financial Review") that may reasonably be expected to influence the economic decisions of the users of the financial statements. [Proposed] ISA 720 (Revised) deals with the auditor's consideration of other information, on which the auditor has no obligation to report, in documents containing or accompanying audited financial statements and the auditor's report thereon that are within the scope of [proposed] ISA 720 (Revised).

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<sup>1</sup> [Proposed] International Standard on Auditing (ISA) 720 (Revised), *The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statement and the Auditor's Report Thereon*

<sup>2</sup> ISA 260, *Communication with Those Charged with Governance* and ISA 700, *Forming an Opinion and Reporting on Financial Statements*

**ISA 810, *Engagements to Report on Summary Financial Statements*, paragraph A19**

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

A19. [Proposed] ISA 720 (Revised)<sup>3</sup> contains requirements and guidance relating to reading and considering other information included in a documents containing or accompanying the audited financial statements and related the auditor's report thereon that are within the scope of [proposed] ISA 720 (Revised), and evaluating and responding appropriately to matters identified that may materially affect those audited financial statements, the auditor's report thereon, or the other information itself material inconsistencies and material misstatements of fact. Adapted as necessary in the circumstances, they may be helpful in applying the requirement in paragraph 24.

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<sup>3</sup> [Proposed] International Standard on Auditing (ISA) 720 (Revised), *The Auditor's Responsibilities Relating to Other Information in Documents Containing or Accompanying Audited Financial Statement and the Auditor's Report Thereon*