

October 29. 2015

IAASB

Ref: ED Engagements to Report on Summary Financial Statements

FSR - danske revisorer welcomes this project to ensure more consistency between all the ISAs that include reporting requirements. We have suggested limited conforming amendments to ISA 810. In our response letter 16. April 2015 to the suggested revised ISA 800 and ISA 805 we urged the IAASB to do so:

“For the benefit of consistency, we believe that enhancements resulting from the new and revised auditor reporting standards are important and ought to be reflected therein. We, therefore, favour consequential amendments to extant ISA 810.”

We refer to our specific minor comments below.

Kind regards

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Specific comments

33. Whether respondents agree with the manner in which paragraph 17 has been changed to address reference to additional information that may be included in the auditor's report on the audited financial statements, as well as the additional guidance proposed in paragraph A15 and Illustration 1 of the Appendix to proposed ISA 810 (Revised).

In principle, we agree to the suggested change regarding making reference to additional information that may be included in the auditor's report on the audited financial statements.

Even though this is not a change compared to the extant standard, we believe that the last part of the paragraph 17 needs application guidance as it is not clear how the effect, if any, of a Qualified Opinion, Emphasis of Matter and Other Matter paragraphs, and sections on Material Uncertainty related to Going Concern or Material Misstatement of Other Information on the summary financial statements should be described in the auditor's report.

Illustration 3 shows relatively clearly how the effect of a Qualified Opinion on the financial statements should be described in the auditor's report, but how and when the effects of an Emphasis of Matter paragraph etc. should be described is unclear. Additional illustrations showing how Emphasis of Matter, an Other Matter or Other Information paragraphs should be presented in the auditor's report would be helpful.

Since the purpose of stating that the auditor's report on the audited financial statements includes a Qualified Opinion, Emphasis of Matter and Other Matter paragraphs, and sections on Material Uncertainty related to Going Concern or Material Misstatement of Other Information is to draw attention to the "full story" included in the audit report on the audited financial statements, an imprecise requirement to consider the effects of the additional information will lead to uneven practices and redundancies, that are more likely to confuse than to inform the readers.

Furthermore, we do not understand the suggestion to treat Key Audit Matters differently compared to all the other additional information included in the Auditor's report on the audited financial statements.

Paragraph A 15 does not seem to do more than state the obvious. If this is necessary, it should be included in Paragraph 17, but on balance, we do not find it necessary to do so.

34. Whether respondents believe any further changes to ISA 810 are necessary as a result of the new and revised Auditor Reporting standards. If so, the IAASB would like to understand respondents' rationale as to why these further changes are needed as well as views as to when the Board should develop and propose such changes in light of its other priorities.

It should be considered to require some mandatory sequencing of the elements in the Auditor's report on summary financial statements in paragraph 14 to promote consistency. This could especially be relevant in regards to where the opinion should be placed.

