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The Technical Director
IAASB
New York

22nd October, 2015

Dear Sir,

Comments on Exposure Draft: Engagements to Report on Summary Financial Statements – ISA 810 (Revised)

Thank you for giving us the opportunity to comment on your Exposure draft: **Engagements to Report on Summary Financial Statements – ISA 810 (Revised)**. We submit herewith our comments and proposals for your perusal.

1. **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).**

Response:

- We 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.
- However, we do not agree with the additional guidance proposed in paragraph A15. We are of the view that the guidance seems to conflict with paragraph 17; and as such needs further clarification.

Our rationale is as follows:

Paragraph 17(i) requires “the auditor to include a statement in the auditor's report on the summary financial statements when the auditor's report on the audited financial statements includes communication of one or more key audit matters described in accordance with ISA 701.” Per paragraph 17(i), the statement to be made in the auditor's report on the summary financial statements is expected to “**describe**” uncorrected material misstatements of the other information, if such communication is included in the auditor's report on the audited financial statements.

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However, paragraph A15 states that the auditor is “**not required to describe**” the individual key audit matters in the auditor’s report on the summary financial statements. Thus where audited financial statements include uncorrected material misstatements of the other information, the requirement of paragraph 17(i) and the additional guidance proposed in paragraph A15 will conflict. The conflict will be with regard to whether the reference to this key audit matter should be a “mere statement” or “a description”.

The requirements in both paragraph 17(i) and paragraph 17(ii) must be met if any key audit matters are described in the auditor’s report on the audited financial statements. Paragraph 17(ii), which refers to paragraph A15, also requires a “**description**” of:

- (i) the basis for the qualified opinion on the audited financial statements, and the effect thereof, if any, on the summary financial statements; or
- (ii) the key audit matter described in the auditor’s report on the audited financial statements and the effect(s) thereof, if any, on the summary financial statements.

The requirement of paragraph 17(ii) to “**describe**” the basis for the qualified opinion, or the key audit matter, also contradicts the statement in paragraph A15 that states that the auditor is “**not required to describe**” the individual key audit matters in the auditor’s report on the summary financial statements.

- We agree with the additional guidance proposed in Illustration 1 of the Appendix.

2. **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.**

Response:

We do not believe any further changes are required to ISA 810 as a result of the new and revised Auditor Reporting standards.

3. **Preparers (including Small- and Medium-Sized Entities (SMEs)), and Users (including Investors and Regulators)—The IAASB invites comments on proposed ISA 810 (Revised) from preparers (particularly with respect to the practical impacts of the proposed amendments), and users (particularly with respect to the manner in which reference is proposed to be made to matters included in the auditor’s report on the audited financial statements).**

Response: No adverse practical impacts of the proposed amendments are anticipated.

4. **Developing Nations — Recognizing that many developing nations have adopted or are in the process of adopting the ISAs, the IAASB invites respondents from these nations to comment on proposed ISA 810 (Revised), in particular, on any foreseeable difficulties in applying it in a developing nation environment.**

Response: No difficulties in applying ISA 810 (Revised) are anticipated.

5. **Translations — Recognizing that many respondents may intend to translate the final ISA for adoption in their own environments, the IAASB welcomes comments on potential translation issues respondents may note in reviewing proposed ISA 810 (Revised).**

Response: No potential translation issues are anticipated.

6. **Effective Date—In line with the effective date of the new and revised Auditor Reporting standards, the effective date of the Proposed Limited Conforming Amendments to ISA 810 is for engagements to report on summary financial statements for periods ending on or after December 15, 2016.**

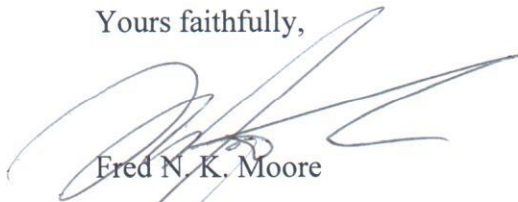
Response: No issues with regard to the effective date are anticipated.

Conclusion

We hope the IAASB find this letter helpful in further developing the Exposure draft. We are committed to helping the Board in whatever way we can to build upon the results of this Exposure draft document. Please do not hesitate to contact us should you wish to discuss any matters raised in this submission.

Thank you.

Yours faithfully,



Fred N. K. Moore
(Chief Executive Officer)