

## EXTRA NOTES ON SA 700,705,706 etc

The form and content of the Audit Report is determined by the following Standards on Auditing-

SA 700 Forming an opinion & Reporting on Financial Statement

SA 701 Communicating Key Audit Matters in the Independent Auditor's Report

SA 705 Modifications to the Opinion in the Independent Auditor's Report

SA 706 Emphasis of Matter paragraph & Other matter Paragraph in Independent Auditor's Report

Audit Report	
Main Audit Report [SA 700,701,705,706& Section 143(3)]	Annexure to Audit Report (CARO,2016-16 Clauses)

## SA 700 (Revised): Forming an Opinion & Reporting on Financial Statement

### Scope of the SA

The requirements of this SA are aimed at addressing an appropriate balance between the need for **consistency and comparability** in auditor reporting globally and the **need to increase the value of auditor reporting** by making the information provided in the auditor's report more relevant to users. Consistency in the auditor's report when the audit has been conducted in accordance with SAs, 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 user's understanding and to identify unusual circumstance when they occur.

### How to form an Opinion on the Financial Statements

The auditor shall evaluate whether the financial statements are prepared, in all material respects, in accordance with the requirements of the **applicable financial reporting framework**. This evaluation shall include consideration of the qualitative aspects of the entity's accounting **practices**, including indicators of possible bias in management's judgments.

In particular, the auditor shall **evaluate whether**, in view of the requirements of the applicable financial reporting framework:

1. The financial statements adequately disclose the **significant accounting policies** selected and applied;
2. The accounting policies selected and applied are **consistent with the applicable** financial reporting framework and are appropriate;
3. The **accounting estimates** made by management are reasonable;
4. The information presented in the financial statements is **relevant, reliable, comparable, and understandable**;
5. 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; and
6. The **terminology** used in the financial statements, including the title of each financial statement, is appropriate

## Form of Opinion

The auditor shall express an **unmodified opinion when** the auditor concludes that the financial statements are prepared in **all material respects**, in accordance with the applicable **financial reporting framework**.

If the auditor:

Concludes that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement ; or

Is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement, the auditor shall modify the opinion in the auditor's report in accordance with SA 705 (Revised)

### Auditor's Report —→ BASIC ELEMENTS

- a) Title
- b) Addressee
- c) Auditor's Opinion
- d) Basis for Opinion
- e) Going Concern ( if needed) – Material Uncertainty Regarding Going Concern Assumptions.
- f) Key Audit Matters ( As per SA – 701 only for listed companies )
- g) Responsibilities of Management for the Financial Statements
- h) Auditor's Responsibilities for the Audit of the Financial Statements

Location of the description of the auditor's responsibilities for the audit of the financial statements

The description of the auditor's responsibilities for the audit of the financial statements required by paragraphs 38-39 shall be included.

- i) Within the body **of the** auditor's report;
  - ii) Within an **appendix** to the auditor's report, in which case the auditor's report shall include a reference to the location of the appendix; or
  - iii) By a specific reference within the auditor's report to the location of such a description on a website of an appropriate authority, where law, regulation or the auditing standards expressly permit the auditor to do so. ( ICAI Website link)
- i) Report on Other Legal and Regulatory Requirements
  - j) Signature of the Auditor
  - k) Place of signature
  - l) Date of the Auditor's Report

**Example 1 —→ Auditor's Report on Financial Statements of a Listed Entity Prepared in Accordance with a Fair Presentation Framework**

## INDEPENDENT AUDITOR'S REPORT

To the Members of XYZ Company Limited

### Report on the Audit of the Standalone Financial Statements 1

#### Opinion

We have audited the standalone financial statements of ABC Company Limited, which comprise the balance sheet as at 31<sup>st</sup> March 2018 and the statement of profit and loss **statement of changes in equity** and statement of **cash flows** for the year then ended, and **notes to the financial** statements, including a summary of significant accounting policies and other explanatory information in which it included the Returns for the year ended on that date audited by the **Branch** auditors of the Company's branches located at (Location of Branches ).

**In our opinion and to the best of our** information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and **give a true** and fair view **in conformity with** the accounting principles generally accepted in India' of the state of affairs of the Company as at March 31,2018 and profit/loss, Changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the **standards on Auditing (SAs)** specified under section 143(10) of the Companies Act 2013. Our responsibilities under those standards are further described in the **Auditor's Responsibilities** for the Audit of the financial statements section of our report. We are **independent of the company** in Accordance with the Code of Ethics issued by the institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our other **ethical responsibilities** in accordance with these requirements and the **Code of Ethics**. We believe that the audit evidence we have obtained is **sufficient and appropriate to provide** a basis for our opinion

#### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most **significance** in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and informing our opinion thereon, and we do not provide a separate opinion on these matters.

#### {Description of each key audit in accordance with SA 701}. Management is Responsibility for the standalone financial statements.

The Company's Board of Directors is responsible for the matters and stated in section 134(5) of the Companies Act 2013(" the act ")with respect to the preparation of these standalone that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the company in accordance with accounting principles generally accepted in India, including the accounting standards specified records in accordance with the provision of the Act for safeguarding to the assets to the company and for **preventing and detecting** frauds and other irregularities selection and **application of appropriate implementation** and maintenance of **accounting policies**; making judgment sand **estimates** that are reasonable and prudent; and design, implementation and maintenance of adequate internal **financial controls**, that were **operating effectively for ensuring** the accuracy and completeness of the accounting records, relevant to the preparation and **presentation of the financial statement** that give a true and fair view and are free from material misstatement, whether due to fraud or error

In preparing the financial statements, management is **responsible for assessing** the company 's ability to continue as a going concern , disclosing, as applicable , matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the **Company's financial reporting process**.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain **reasonable assurance** about whether the financial statements as whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. **Reasonable assurance is a high level of assurance**, but is **not a guarantee that** an audit conducted in accordance with SAs will always detect a material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

Paragraph 40(b) of this SA explain that shaded material below can be located in an **Appendix to the auditor's report**. Paragraph 40(c) explain that when law, regulation or applicable auditing standards expressly permit, reference can be **made to a website** of an appropriate authority that contains the description of the auditor's responsibilities below.

As part of an audit in accordance with SAs, we exercise **professional judgment** and maintain **professional skepticism** throughout the audit. We also :

- **Identify and assess the risk of material misstatement** of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an **understanding of internal control relevant** to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Companies act, 2013, are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the **appropriateness of accounting policies used and the reasonableness** of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's **use of the going concern basis of accounting and, based** on the audit evidence obtained

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

We also provide charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## SA 701(New): Communicating Key Audit Matters in the Independent Auditor's Report

### Definition

Key audit matters- Those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. Key audit matters are selected from matters communicated with those charged with governance.

### Scope of this SA

This standard on Auditing (SA) deals with the auditor's responsibility to **communicate key audit matters in the auditor's report**. It is intended to address both the auditor's judgment as to what to communicate in the auditor's report and the form and content of such communication.

The purpose of communicating key audit matters is to enhance the communicative value of the auditor's report by providing greater transparency about the audit that was performed. Communicating key audit matters provides additional information to intended users of the financial statements ("intended users") to assist them in understanding those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. Communicating key audit matters may also assist intended users in understanding the entity and areas of significant management judgment in the audited financial statements.

Communicating key audit matters in the auditor's report is in the context of the auditor having formed an opinion on the financial statements as a whole. Communicating key audit matters in the auditor's **report is not:**

- 1) **A substitute** for disclosures in the financial statements that the applicable financial reporting framework requires management to make, or that are otherwise necessary to achieve fair presentation;
- 2) **A substitute for the auditor expressing a modified** opinion when required by the circumstances of a specific audit engagement in accordance with SA 705 (Revised);
- 3) A substitute for reporting in accordance with SA 570 (Revised) when a material uncertainty exists relating to events or conditions that may cast **significant doubt on an entity's** ability to continue a going concern; or
- 4) A separate opinion on individual matters.

This SA applies to audits of complete sets of general purpose financial statements of **LISTED ENTITIES** and circumstances when the auditor otherwise decides to communicate key audit matters in the auditor's report. This SA also applies when the auditor is required by law or regulation to communicate key audit matters in the auditor's report. However, SA 705 (REVISED) **Prohibits the auditor from communicating key audit matters when the auditor disclaims an opinion on the financial statements**, unless such reporting is required by law or regulation.

### Effective Date

This SA effective for audits of financial statements for periods beginning or after April 1, 2017.

### Objectives

The objectives of the auditor are to determine key audit matters and, having formed an opinion on the financial statements, communicate those **matters by describing them in the auditor's report**.

## Requirements

### (A) Determining Key Audit Matters

The auditor shall determine, from the matters communicated with those charged with governance, those matters that required significant auditor attention in performing the audit. In making this determination, the auditor shall take into account the following:

Areas of higher assessed **risk of material misstatement**, or **significant** risks identified in accordance with SA 315.

Significant auditor judgments relating to areas in the financial statements that **involved significant management judgment**, including accounting estimates that have been identified as having high estimation uncertainty.

The effect on the **audit of significant** events or transactions that occurred during the period.

The auditors shall determine which of the matters determined in accordance with paragraph 9 were of most significance in the audit of the financial statements of the current period and therefore are the key audit matters

### (B) Communicating key Audit Matters

The auditor shall describe each key audit matter, using an appropriate subheading, in a separate section of the auditor's report under the heading "Key Audit Matters," unless the circumstances in paragraphs 14 or 15 apply. **The introductory language in this section of the auditor's report shall state that:**

**Key audit matters are those matters that**, in the auditor's professional judgment, were of most significance in the audit of the financial statements [of the current period]; and

These matters were addressed in the context of the audit of the **financial statements as a whole**, and in forming the auditor's opinion thereon, **and the auditor does not provide a separate opinion** on these matters.

### (C) Key Audit Matters Not a Substitute for Expressing a Modified Opinion

The auditor shall not communicate a matter in the Key Audit Matters section of the auditor's report when the auditor would be required to modify the opinion in accordance with SA 705(Revised) as a result of the matter.

### (D) Description of Individual Key Audit Matters

The description of **each key audit matter** in the key Audit Matters section of the auditor's report shall include a reference to the **related disclosure(s), if any**, in the financial statements and shall address:

**Why the matter was considered to be one of most significance in the audit** and therefore determined to be a key audit matter; and

How the matter was **addressed in the audit**.

### (E) Circumstances in Which a Matter determined to be a Key Audit Matter Is Not Communicated in the Auditor's Report

The auditor shall describe each key audit matter in the auditor's **report unless:**

Law or **regulation precludes public** disclosure about the matter; or

In extremely rare circumstances, the auditor determines that the matter **should not be communicated** in the auditor's report because the adverse consequence of doing so would reasonably be expected to

outweigh the public interest benefits of such communication. This shall not apply if the entity has publicly disclosed information about the matter.

**(F) Interaction between Descriptions of key Audit Matter Other Elements Required to Be Included in the Auditor's Report**

A matter giving rise to a modified opinion in accordance with SA 705 (Revised), or a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with SA 570 (Revised), are by their nature key audit matters, However, in such and the requirements in paragraphs 13-14 do not apply. Rather, the auditor shall:

Report on these matter(s) in accordance with the applicable SA (S); AND

Include a reference to the Basis for Qualified (Adverse) Opinion or the Material Uncertainty Related to Going Concern section(s) in the key Audit Matters section.

**(G) Form and Content of the Key Audit Matters Section in Other Circumstances**

If the auditor determines, depending on the facts and circumstances of the entity and the audit, that there are no key audit matters to communicate or that the only key audit matters communicated are those matters addressed by paragraph 15, the auditor shall include a statement to this effect in a separate section of the auditor's report under the heading "Key Audit Matters." (Ref: Para. A57-A59)

**Communication with Those Charged with Governance**

The auditor shall communicate with those charged with governance:

- (a) Those matters the auditor has determined to be the key audit matters; or
- (b) If applicable, depending on the facts and circumstances of the entity and the audit, the auditor's determination that there is no key audit matters to communicate in the auditor's report.

**Documentation**

The auditor shall include in the audit documentation following points:-

1. The matters that required significant auditor attention as determined in accordance with paragraph 9, and the rationale for the auditor's determination as to whether or not each of these matters is a key audit matter in accordance with paragraph
2. Where applicable, the rationale for the auditor's determination that there are no key audit matters to communicate in the auditor's report or that the only key audit matters to communicate are those matters addressed by earlier paragraph ; and
3. Where applicable, the rationale for the auditor's determination not to communicate in the auditor's report a matter determined to be a key audit matter.

If no KAM found, auditor

1. Will document the reasons for not finding KAM.
2. Communicate with TCWG
3. Report expressly that no KAM found
4. Discuss with quality control reviewer.

## SA – 701

-Scope of SA

-Meaning of KMA

-Applicability of SA

-How to determine KAM?

1. Matter requiring **significant attention** of auditor in performing the audit.
2. Area of higher **ROMM** / significant risk identified as per SA-315.
3. Area which involved significant **auditor's judgement**.
4. **Matter** which changed the **nature, timing and extent** of audit procedure.
5. Matter in which it was difficult to collect **audit evidence**.
6. Significant deficiencies in internal control.
7. **Significant** deficiencies in internal control.

-How to report KAM in Audit Report?

As per SA 700 it is reported after the paragraph dealing with Material Uncertainty regarding going concern.

If such paragraph is not required after the basis for opinion paragraph.

**A. Report shall state:-**

1. Definition of KAM.
2. KAM are selected from Matter communicated with TCWG, **but not** representing all the matters.
3. **These matters** were addressed in the context of the audit of financial statements **as a whole**.
4. Auditor **does not** provide a **separate** opinion on those matters.

After that auditor **will describe each** KAM under appropriate **sub heading & explain why** that item was considered significant and **how** that matter was addressed in the audit.

Before reporting a matter in KAM auditor shall **communicate** with TCWG the list of matters identified as KAM & **document** those matters.

## SA 705 (Revised): Modifications to the Opinion in the independent Auditor's Report

I have used the following abbreviations in this chapter:

1. MMS – Material Mis – statement
2. SAAE- Sufficient Appropriate Evidence
3. Refer the summary table on page 167

Types of Modified Opinions

This SA establishes 3 types of modified opinions, namely:

1. Qualified Opinion
2. Adverse Opinion
3. Disclaimer of Opinion

The decision regarding which type of modified opinion is appropriate depends upon:

- (a) The nature of the matter giving rise to the modification, that is, whether the financial statements are materially misstated or, in the case of an inability to obtain sufficient appropriate audit evidence, may be materially misstated; and
- (b) The auditor's judgment about the pervasiveness of the effects or possible effects of the matter on the financial statements.

### Definitions

Pervasive misstatement would be so serious that all purposes of financial statements are useless.

- (a) Pervasive —→ A term used, in the context of misstatements, to describe the effects on the financial statements of misstatements or the possible effects on the financial statements of misstatements, if any, that are undetected due to an inability to obtain sufficient appropriate audit evidence. Pervasive effects on the financial statements are those that, in the auditor's judgment:
  - (i) Are not confined to specific elements, accounts or items of the financial statements;
  - (ii) If so confined, represent or could represent a substantial proportion of the financial statements; or
  - (iii) In relation to disclosures, are fundamental to users' understanding of the financial statements.
- (b) Modified Opinions - A qualified opinion, an adverse opinion or a disclaimer of opinion on the financial statements

### Other Matter SA – 706

We did not audit the financial statements /information of ..... (number) branches included in the stand alone financial statements of the company whose financial statements/financial information reflect total assets of rs..... as at 31<sup>st</sup> march 2018 and the total revenue of rs.... For the year ended on that date, as considered in the standalone financial statements /information of these branches have been audited by the branch auditor's whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditor's.

**Our opinion is not modified in respect of branches of these matters.**

## Report on Other Legal and Regulatory Requirements

As required by the Company (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those book and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- iii) The reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this
- iv) The Balance Sheet, the Statement of profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
- v) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- vi) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 20XX taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 20XX from being appointed as a director in term of Section 164(2) of the Act.
- viii) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- viii) With respect to the other matters to be included in the Auditor's:
  - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note XX to the financial statements; [or the Company does not have any pending litigations which would impact its financial position]
  - b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts-Refer Note XX to the financial statements; [or the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.]
  - c) There has been no delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company {or, following are the instances of delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the investor Education and Protection Fund by the company.

Place of signature:

Date: Signature

For **XYZ & CO**  
*Chartered Accounts*  
(Firm's Registration No.)  
Signature  
(Membership No .XXXXXX)

## SA 706 (Revised): Emphasis of Matter Paragraph & Other Matter Paragraph in Auditor's Report

### Definitions

- a) Emphasis of Matter paragraph – A paragraph include in the auditor's report that refers to matter appropriately presented or disclosed in the financial statements that, in the auditor's judgment, is of such importance that is fundamental to user's understanding of the financial statements.
- b) Other Matter paragraph – paragraph include in the auditor's report that refers to matter other than those presented or disclosed in the financial statements that, in the auditor's judgment, is relevant to user's understanding of the audit, the auditor's responsibilities or the auditor's report.

### What do you mean by EMP & OMP Paragraph?

Emphasis of Matter Paragraph (EMP)	Other Matter Paragraph (OMP)
An important Discloser is given by Management in the FS, most likely in the "Notes to FS". Auditor want to draw attention of the Users of FS to that Disclosure	In Certain Case, Users of FS have the tendency to over – assume auditor's responsibility for something beyond the scope of Audit. So that Auditor needs to clarify his responsibility in such Ambiguous Circumstances. Hence he puts an OMP paragraph after Opinion and EMP paragraph.
<b>Example:</b> An uncertainty relating to the future outcome of an exceptional litigation or regulatory action.	<b>Example:</b> In an audit of consolidate FS (CFS), auditor should remind the user of CFS, that he has merely relied on the Audited FS of several subsidiaries and not audited them himself.
EMP paragraph is not a substitute for QO, AO & DO. Also, it does not indicate Modified Opinion.	OMP paragraph does not indicate Modified Opinion.

### Emphasis of Matter paragraph

Drafting of an EMP Paragraph .

When the auditor includes an EMP in the auditor's report, the auditor shall:

- a) Include the paragraph within a separate **section of the auditor's report** with an appropriate heading that includes the term, "**Emphasis of Matter**" ;
- b) Include in the paragraph a clear reference to the matter being emphasized an to where relevant disclosures that fully describe the matter can be found in the financial statements. The paragraph shall refer only to information presented or disclosed in the financial statements; and
- c) Indicate that the **auditor's opinion is not modified in respect** of the matter emphasized.

### Placement of an EMP paragraph.

1. When the EMP relates to the applicable FRF, the auditor may consider it necessary to place the paragraph immediately **following the Basis** of Opinion section to provide appropriate context to the auditor's opinion.
2. When a **key Audit Matters (KAM) section** is presented in the auditor's report, an EMP may be presented either **directly before or after the KAM section**, based on the auditor's judgment as to the relative significance of the information included in the Emphasis of the Matter paragraph. The auditor may also add further context to the heading "Emphasis of Matter", such as " Emphasis of Matter – Subsequent Event",

to differentiate the Emphasis of Matter paragraph from the individual matters described in the Key Audit Matters section.

## **Other Matter paragraph**

### Drafting of an OMP Paragraph

When the auditor includes an Other Matter paragraph in the auditor's report, the auditor shall include the paragraph within a separate section with the heading "Other Matter," or other appropriate heading.

1. When a key Audit Matters (KAM) section is presented in the auditor's report, an OMP is also considered necessary, the auditor may add further to the heading "Other Matter," such as "Other Matter – Scope of the Audit" , to differentiate the Other Matter paragraph from the individual matters described in the Key Audit Matters section.
2. When an OMP is included to draw user's attention to a matter relating to Other Reporting Responsibilities addressed in the auditor's report, the paragraph may be included in the Report or other Legal and Regulatory Requirements section.

## **Examples of SAs Containing Requirements for Other Matter Paragraphs**

This appendix identifies paragraph in other SAs that require the auditor to include an Other Matter paragraph in the auditor's report in certain circumstances. The list is not a substitute for considering the requirements and related application and other explanatory material in SAs.

- SA 560, Subsequent Events'
- SA 710, Comparative information – Corresponding Figures and Comparative Financial Statements
- SA 720, The Auditor's Responsibilities Relating to other Information in Documents Containing Audited Financial Statements
- **Auditor can insert those matters in EOM paragraph which is not related to KAM/qualified/Adverse Opinion**