

AAT Examination

Paper 8

CLARITY PROJECT UPDATE SUPPLEMENT

OVERVIEW

In 2004 the International Audit and Assurance Standards Board began a comprehensive overhaul of all the International Standards of Auditing (ISAs). The aim of the project was to issue a set of updated ISAs, which were easier to understand and encouraged more consistent standards of auditing across the world.

In Hong Kong, the set of clarified Hong Kong Standard on Auditing (HKSAs) is effective for audits of financial statements for periods beginning on or after 15 December 2009. In response to this, the new clarified HKSAs will become examinable for the AAT June 2010 examination diet onwards.

The purpose of the supplement is to ensure that candidates studying for the June 2010 AAT exams and beyond with regards to paper 8 'Principles of Auditing and Management Information Systems' are fully aware of the changes that will affect the exam. To fully illustrate these changes the supplement includes the following:

- A summary of the objectives of the 'Clarity Project;'
- A detailed guide of the changes to this Study Texts; and
- A summary of key revisions to HKSAs;

THE OBJECTIVES OF THE CLARITY PROJECT

The overall aim of the project was to enhance the understandability of the ISAs. Not only should this encourage consistent application of auditing standards, there should also be an improvement in audit quality. It is hoped that this initiative will contribute significantly to the convergence of auditing standards worldwide.

In order to achieve this aim the ISAs have been redrafted to make their objectives and the responsibilities of the auditor clearer. As a result all standards now adopt the following structure:

- Introduction;
- Objective;
- Definitions;
- Requirements; and
- Application and other explanatory information.

The language used in the standards is also less ambiguous, making it clear exactly what is expected of an auditor applying ISAs.

In addition to redrafting the existing standards, a number of them have also been revised with the aim of improving audit practice. This means that the guidance provided has been updated to reflect current issues and developments.

The clarified ISAs appear much more prescriptive than their predecessors. It is hoped that this will reduce ambiguity and improve the consistency of audit. However, many commentators have raised concerns about the lack of flexibility in the clarified ISAs may lead to problems when considering factors such as risk and cost. It also reduces the scope for auditor judgement, something that many academics would argue is vital to the health of successful and efficient auditing.

Practically, firms will be compelled to update their audit approaches and manuals and staff training will undoubtedly be required. Thorough engagement planning and monitoring will also be necessary in the transition period to ensure that the new ISAs are being faithfully applied. Of course, this could lead to modest costs, which will undoubtedly be passed onto clients.

UPDATES REQUIRED TO THE COMPLETE AND ESSENTIAL TEXTS

Chapter 1	<p>Para. 2.1 - The overall objectives of the auditor to conduct an audit of financial statements are, as defined in HKSA 200 (Clarified) are: “to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework; and to report on the financial statements, and communicate as required by the HKSA’s, in accordance with the auditor’s findings.”</p> <p>Para. 2.4 - HKSA 240 (Clarified) states that it is the responsibility of auditors to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. In particular, the auditor is responsible for: (a) maintaining professional skepticism throughout the audit; (b) considering the potential for management override of controls; and (c) recognizing the fact that audit procedures that are effective for detecting error may not be effective in detecting fraud.</p>
Chapter 2	<p>Para. 2 - According to HKSA 700 (Clarified), “fair presentation framework” should be redefined as “a financial reporting framework that requires compliance with the requirements of the framework and acknowledges that may be necessary for management to: (a) provide disclosures beyond those specifically required by the framework to achieve fair presentation of the financial statements; or (b) depart from a requirement of the framework to achieve fair presentation of the financial statements”.</p>
Chapter 5	<p>Para. 1.2 - HKSA 200 (Clarified) require that the auditor should carry out an audit in accordance with HKSA’s and ethical principles to provide reasonable assurance that the financial statements are prepared, in material respects, in accordance with an applicable financial reporting framework.</p> <p>Para. 2.1 - HKSA 300 (Clarified) states adequate planning of the audit work helps to ensure that: (a) appropriate attention is devoted to important audit areas; (b) potential problems are identified and resolved timely; (c) audit engagement is properly organized and managed; (d) proper assignment of work to assistants according to the required competence and capabilities; (e) direction and supervision of engagement team, and review of their work are facilitated; (f) work done by other auditors and experts are properly coordinated.</p> <p>Para. 6 - HKSA 320 (Clarified) requires auditor to: (a) apply the concept of materiality appropriately in planning and performing the audit; (b) determine performance materiality for assessing the risks of material misstatement; and (c) determine the nature, timing and extent of further audit procedures.</p> <p>Para. 6.3 - HKSA 320 (Clarified) defines ‘performance materiality’ as “the amount or amounts set by the auditor at less than materiality for financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of</p>

	<p>uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. If applicable, performance materiality also refers to the amount or amounts set by the auditor at less than the materiality level or levels for particular classes of transactions, account balances or disclosures". Tolerable misstatement is the application of performance materiality, described in the revised HKSA 320. The auditor sets this when selecting a sample to address the risk that the aggregate of individually immaterial misstatements may cause the financial statements to be materially misstated</p> <p>Para. 6.3 (b) - HKSA 320 (Clarified) provides the following aspects about the concept of materiality: (a) misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; (b) judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and (c) judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. In order to reflect the revision of HKSA 320, 'materiality' should emphasise the significance of auditor judgement and consideration of the unique circumstances of the entity. The concept of 'performance materiality' must now also be considered along with materiality for the financial statements as a whole.</p> <p>Para. 7.1 - HKSA 520 (Clarified) redefines 'analytical procedures' as "evaluations of financial information through analysis of plausible relationships among both financial and non-financial data". Analytical procedures involves the identification of fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a material amount.</p> <p>Para. 7.4 - HKSA 520 (Clarified) states that, when designing and performing substantive analytical procedures, the auditor should take the following steps: (a) determine the suitability of particular substantive analytical procedures for given assertions, taking account of the assessed risks of material misstatement; and the tests of details; (b) evaluate the reliability of data from which the auditor's expectation of recorded amounts or ratios is developed, taking account of its source, comparability, and nature and relevance of information available; and controls over preparation; (c) develop an expectation of recorded amounts or ratios and evaluate whether the expectation is sufficiently precise to identify a misstatement that may cause the financial statements to be materially misstated; and (d) determine the amount of any difference of recorded amounts from expected values that is acceptable without further investigation.</p> <p>Answer to Exam Type Q.3 should incorporate a discussion of the revised HKSA 320, including the emphasis on auditor judgement, the consideration of the unique circumstances of the entity and the new concept of performance materiality. For a full description of the revision to HKSA 320 please see the detailed review below.</p>
Chapter 6	<p>Para. 5 - HKSA 230 (Clarified) provides the objectives of preparing audit documentation: (a) a record of the basis for the auditor's report; (b) an evidence that the audit was planned and performed in accordance with HKSA's and applicable legal and regulatory requirements; and (c) evidence of the auditor's basis for a conclusion of achieving overall audit objective. HKSA (Clarified) 230 redefines 'audit documentation' as "the record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached (terms such as "working papers" or "workpapers" are also sometimes used)".</p>
Chapter 8	<p>Para. 1 - HKSA 330 (Clarified) requires the auditor to design and perform further</p>

	<p>audit procedures in response to the assessed risks of material misstatement at the assertion level. Audit tests are of three main types, each playing a different role in accumulating audit evidence: (i) procedures to obtain an understanding of internal controls; (ii) tests of control – to establish whether the controls in the accounting systems are operating effectively and can be relied upon; and (iii) substantive procedures – to ascertain whether there are misstatements in the transactions and account balances. Substantive procedure comprises tests of details and substantive analytical procedures.</p> <p>Para. 2.7 - When the assessed risk of material misstatement at the assertion level is a significant risk, according to HKSA 330 (Clarified), the auditor shall perform substantive procedures that are specifically responsive to that risk, those procedures shall include tests of details: (i) of transactions – to establish whether transactions and balances are correctly recorded; (ii) of balances - to detect material misstatements in account balances at the assertion level; and (iii) disclosures – to evaluate whether the transactions and balances are properly disclosed in the financial statements.</p>
Chapter 9	<p>Para. 1.3 - HKSA 530 (Clarified) defines ‘sampling risk’ as “the risk that the auditor’s conclusion based on a sample may be different from the conclusion if the entire population were subjected to the same audit procedure. Sampling risk can lead to two types of erroneous conclusions: (i) In the case of a test of controls, that controls are more effective than they actually are, or in the case of a test of details, that a material misstatement does not exist when in fact it does. The auditor is primarily concerned with this type of erroneous conclusion because it affects audit effectiveness and is more likely to lead to an inappropriate audit opinion; (ii) In the case of a test of controls, that controls are less effective than they actually are, or in the case of a test of details, that a material misstatement exists when in fact it does not. This type of erroneous conclusion affects audit efficiency as it would usually lead to additional work to establish that initial conclusions were incorrect”.</p> <p>Para. 1.4 - HKSA 530 (Clarified) defines ‘statistical sampling’ as “an approach to sampling that has the following characteristics: (i) Random selection of the sample items; and (ii) The use of probability theory to evaluate sample results, including measurement of sampling risk”; on the other hand, ‘non-statistical sampling’ (sometimes known as judgment sampling) as “a technique which does not rely on probability theory and requires more subjectivity in making sampling decisions”.</p> <p>Para. 2.2(b) - The concept of ‘tolerable error’ needs to be redefined by HKSA 530 (Clarified) as follows: “A monetary amount set by the auditor in respect of which the auditor seeks to obtain an appropriate level of assurance that the monetary amount set by the auditor is not exceeded by the actual misstatement in the population.”</p>
Chapter 11	<p>Para. 2.1 - “Management Representations” should now refer to HKSA 580 (Clarified) <i>Written Representations</i>. The notes should emphasise the stricter guidance with regard to the use of written representations as audit evidence and the requirement to obtain representations regarding management’s responsibilities</p>
Chapter 12	<p>Para. 2.2 & 2.3 - All references to ‘disagreements’ and ‘limitations of scope’ need to be replaced with ‘material misstatements in the financial statements’ and ‘the auditor is unable to obtain sufficient appropriate evidence.’</p> <p>Para. 5.2 - The following standards have been renamed: (i) ‘Opening Balances’ is now renamed as HKSA 510 (Clarified) ‘Initial Audit Engagements’; (ii) ‘Comparatives’ is now renamed as HKSA 710 (Clarified) renamed as ‘Comparative Information –</p>

	<p>Corresponding Figures and Comparative Financial Statements’.</p> <p>Para. 5.3 - HKSA 720 (Clarified) ‘The Auditor’s Responsibility Relating to Other Information in Documents Containing Audited Financial Statements’ (previously ‘Other Information in Documents Containing Audited Financial Statements’).</p>
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KEY REVISIONS TO HKSA_s

Standard	Summary of Changes ¹
HK SQC 1	<i>Quality Controls for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i> Redrafted. ²
HKSA 200	<i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards of Auditing</i> Revised and redrafted. This standard sets out the overall objective of the independent auditor. The new ISA 200 makes clear the purpose of the objectives in each of the other ISAs and explains that the auditor should use these objectives when planning and performing audits. It also includes material explaining some of the fundamental concepts related to an audit, such as: ethical requirements relating to an audit; professional scepticism; professional judgement; limitations of an audit; sufficient appropriate evidence and audit risk; and responsibilities of management.
HKSA 210	<i>Agreeing the Terms of Audit Engagements</i> Redrafted. Now includes specific reference to determining whether the financial reporting framework to be applied is acceptable. Without a suitable accounting framework management do not have an acceptable basis for preparation of the financial statements and the auditor will not have a suitable basis for auditing the financial statements.
HKSA 220	<i>Quality Control for an Audit of Financial Statements</i> Redrafted.
HKSA 230	<i>Audit Documentation</i> Redrafted.
HKSA 240	<i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i> Redrafted.
HKSA 250	<i>Consideration of Laws and Regulations in an Audit of Financial Statements</i> Redrafted.

¹ To understand the full impact of the 'Clarity Project' please refer the full text of the IAASB's International Standards of Auditing

² Please see "Objectives of the Clarity Project" for summary of key changes to redrafted ISAs

Standard	Summary of Changes ¹
HKSA 260	<p><i>Communication with Those Charged with Governance</i></p> <p>Revised and redrafted.</p> <p>Additional requirements include:</p> <ul style="list-style-type: none"> • Explaining why significant accounting practices, that are acceptable according to financial reporting requirements, are not appropriate to the circumstances of the entity; • Documenting matters communicated orally; • Communication of difficulties encountered during the audit; • Requirement to report material weaknesses in internal control removed to ISA 265.
HKSA 265	<p><i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i></p> <p>This is a new standard.</p> <p>‘Material weaknesses’ reclassified as ‘significant deficiencies.’ The aim was to define a threshold of significance for when deficiencies in internal control should be communicated.</p> <p>The threshold was identified as follows:</p> <ul style="list-style-type: none"> • When a control is designed, implemented or operated in such a way that it is unable to prevent or detect misstatements on a timely basis; or • Such a control, as necessary to prevent and detect misstatement is missing. <p>The auditor has to determine whether individually or in combination the identified deficiencies constitute a ‘significant deficiency.’ All such ‘significant deficiencies’ have to be communicated to those charged with governance in writing.</p> <p>Other deficiencies, which are of insufficient significance to communicate to those charged with governance in writing, should be communicated to management.</p>
HKSA 300	<p><i>Planning an Audit of Financial Statements</i></p> <p>Redrafted</p>
HKSA 315	<p><i>Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment</i></p> <p>Redrafted</p>
HKSA 320	<p><i>Materiality in Planning and Performing an Audit</i></p> <p>Revised and redrafted.</p> <p>The focus of the revision to ISA 320 is the consideration of not only the size of an item but its nature and the circumstances of the entity. The standard explains that:</p> <ul style="list-style-type: none"> • Misstatements, including omissions, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users; • Judgements about materiality are made in light of surrounding circumstances, and are affected by the size and nature of a misstatement, or a combination of both, and

Standard	Summary of Changes ¹
	<ul style="list-style-type: none"> • Judgements about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. <p>The new standard includes the definition of a new concept, 'performance materiality.' This states that the auditor should set materiality for the financial statements as a whole (as per the old standard). However, in addition the auditor should establish an amount set at less than materiality when designing the nature, timing and extent of further audit procedures. The aim of which is to reduce the risk that misstatements in aggregate exceed the total for materiality for the financial statements as a whole.</p> <p>Performance materiality also refers to the amounts set a less than materiality for the financial statements as a whole when considering particular classes of transaction, account balances or disclosures.</p> <p>The new standard clarifies that the determination of materiality requires the exercise of professional judgement. However, it does recognise that a simple percentage may be used as starting point when determining materiality to the financial statements as a whole (benchmarking). Such benchmarks include: total revenue; profit before tax; gross profits; total expenses; total equity; and net assets. However, if using such benchmarks the auditor should consider the following:</p> <ul style="list-style-type: none"> • The elements of the financial statements; • Whether there are items upon which the attention of the users tends to be focussed; • The nature of the entity, its life cycle, and it's industry/economic environment; • The entity's ownership structure and the way it is financed; and • The relative volatility of the benchmark.
HKSA 330	<p><i>The Auditor's Response to Assessed Risks</i></p> <p>Redrafted</p>
HKSA 402	<p><i>Audit Considerations Relating to an Entity Using a Service Organisation</i></p> <p>Revised and redrafted.</p> <p>The revision increases the focus on when the auditor intends to use a service auditor's report as audit evidence.</p> <p>When performing risk assessment the auditor should perform the following procedures to ensure that the service organisation's controls are operating effectively:</p> <ul style="list-style-type: none"> • Obtaining a Type 2 report, if available. This is a report on the description, design and operating effectiveness of controls at the service organisations. It contains a report prepared by management of the service organisation and a reasonable assurance report by the service auditor; • Performing tests of control at the service organisation; • Using another auditor to perform tests of control at the service organisation on their behalf. <p>If the auditor intends to use a report from a service auditor they should perform procedures to ensure they are satisfied with the competence and independence of the service auditor and that the service auditor's report provides sufficient</p>

Standard	Summary of Changes ¹
	appropriate evidence about the effectiveness of controls.
HKSA 450	<p><i>Evaluation of Misstatements Identified During the Audit</i></p> <p>Revised and redrafted.</p> <p>All misstatements must be communicated to management on a timely basis, unless they are clearly trivial.</p> <p>Management should be asked to correct all misstatements identified during the audit.</p> <p>The auditor shall obtain an understanding of management’s reasons for refusing to adjust any of the misstatements.</p> <p>Prior to evaluating the significance of uncorrected misstatements the auditor should reassess materiality to confirm whether it remains appropriate to the financial statements. Then the auditor must assess whether uncorrected misstatements are, individually or in aggregate, material. To do this they should consider the size and nature of the misstatements, both in relation to the financial statements as a whole and to particular classes of transaction, account balances and disclosures.</p> <p>The auditor shall obtain a written representation from management and those charged with governance that they believe the effect of the uncorrected misstatements is immaterial, individually and in aggregate.</p>
HKSA 500	<p><i>Audit Evidence</i></p> <p>Redrafted</p>
HKSA 501	<p><i>Audit Evidence – Specific Considerations for Selected Items</i></p> <p>Redrafted</p>
HKSA 505	<p><i>External Confirmations</i></p> <p>Revised and redrafted.</p> <p>When using external confirmations the auditor shall maintain control over external confirmation requests. If management refuses to allow the auditor to send a confirmation request the auditor shall: enquire as to management’s reason; evaluate the implications; and, where possible, perform alternative procedures.</p> <p>The auditor must evaluate the reliability of confirmations received and when a response is not received the auditor shall perform alternative procedures.</p> <p>Negative confirmations provide less persuasive evidence. Therefore they should not be performed as the sole substantive procedure unless: the risk of material misstatement is low; the population being assessed comprises a large number of small balances; a very low exception rate is expected; and the auditor is not aware of any circumstances that would cause recipients to disregard requests.</p>
HKSA 510	<p><i>Initial Audit Engagements – Opening Balances</i></p> <p>Redrafted</p>
HKSA 520	<p><i>Analytical Procedures</i></p> <p>Redrafted</p>

Standard	Summary of Changes ¹
HKSA 530	<p><i>Audit Sampling</i></p> <p>Redrafted</p>
HKSA 540	<p><i>Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures</i></p> <p>Revised and redrafted.</p> <p>Merged the old ISA 540 <i>Audit of Accounting Estimates</i> and ISA 545 <i>Audit of Fair Value Measurements</i>, because the principles and techniques apply to both.</p> <p>The new standard introduces the requirement for greater scepticism when auditing such balances, including an assessment of management bias.</p> <p>It also places a greater emphasis on obtaining an understanding of the client’s estimation process – and related controls – when performing risk assessment procedures in accordance with ISA 315.</p> <p>The revised standard clarifies the procedures that an auditor shall perform in response to the assessment of material misstatement. These include:</p> <ul style="list-style-type: none"> • Determining whether events occurring up to the date of the auditor’s report provide evidence regarding the estimate; • Testing management’s method of measuring the estimate and the assumptions used; • Testing the effectiveness of controls over management estimates; • Developing a point estimate or a range to evaluate management’s point estimate
HKSA 550	<p><i>Related Parties</i></p> <p>Revised and redrafted but not examinable according to F8 syllabus guidance.</p>
HKSA 560	<p><i>Subsequent Events</i></p> <p>Redrafted</p>
HKSA 570	<p><i>Going Concern</i></p> <p>Redrafted</p>
HKSA 580	<p><i>Written Representations</i></p> <p>Revised and redrafted.</p> <p>NB: This standard was revised due – mainly – to concerns that auditors may be over-reliant on written representations.</p> <p>The main emphasis of the standard is that, whilst written representations provide necessary audit evidence, they support other forms of evidence and do not on their own provide sufficient appropriate audit evidence.</p> <p>In addition to this clarification the new standard also requires the auditor to obtain the following written representations about management’s responsibilities:</p> <ul style="list-style-type: none"> • That they have fulfilled their responsibility for the preparation of the financial statements; • That they have provided the auditor with all relevant information and access to records, as agreed in the engagement terms; and • That all transactions have been recorded and reflected in the financial

Standard	Summary of Changes ¹
	<p>statements.</p> <p>The new standard clearly states that if the auditor concludes that there is sufficient doubt about the integrity of management, thus rendering the written representations unreliable, or if management does not provide the written representations requested then the auditor shall disclaim an opinion on the financial statements in accordance with the revised ISA 705.</p>
HKSA 600	<p><i>Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)</i></p> <p>Revised and redrafted but not examinable according to F8 syllabus guidance.</p>
HKSA 610	<p><i>Using the Work of Internal Auditors</i></p> <p>Redrafted</p>
HKSA 620	<p><i>Using the Work of an Auditor’s Expert</i></p> <p>Revised and redrafted.</p> <p>The revised standard focuses on the use of an auditor’s expert. The consideration of the use of management’s experts is referred to in ISA 500.</p> <p>Before using an expert the audit shall agree, in writing:</p> <ul style="list-style-type: none"> • The nature, scope and objectives of the expert’s work; • The roles and responsibilities of the auditor and the expert; • The nature, timing and extent of communication between the two parties; and • The need for the expert to observe confidentiality. <p>The procedures for evaluating the experts work have also been clarified. Namely the auditor must consider: the consistency of the findings with other evidence; the significant assumptions made; and the use and accuracy of source data.</p> <p>The auditor should not make reference to the use of an expert in their audit report unless it is required to aid the understanding of a modification to the audit opinion. In such circumstances the auditor shall indicate that the reference to the expert does not diminish the auditor’s responsibility for the opinion.</p>
HKSA 700	<p><i>Forming an Opinion and Reporting on Financial Statements</i></p> <p>Redrafted</p>
HKSA 705	<p><i>Modifications to the Opinion in the Independent Auditor’s Report</i></p> <p>Revised and redrafted.</p> <p>The revision discusses the form and content of the audit report when a modification is considered necessary.</p> <p>The main revision is that all references to the terms ‘disagreement’ and ‘limitation of scope’ have been removed. Instead the auditor should express an appropriately modified opinion when:</p> <ul style="list-style-type: none"> • They conclude that, on the basis of evidence obtained, the financial statements as a whole are not free from material misstatement; and • They are unable to obtain sufficient appropriate evidence to conclude that the financial statements as a whole are free from material misstatement.

Standard	Summary of Changes ¹
	When the auditor expects to modify their opinion they should communicate to those charged with governance, explain the circumstances behind the decision and the proposed wording of the modification.
HKSA 706	<p><i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report</i></p> <p>Revised and redrafted.</p> <p>This standard deals with those additional communications in the auditor's reports that do not affect the wording of the audit opinion, namely the 'Emphasis of Matter' and 'Other Matter' paragraphs.</p> <p>The new standard clarifies the purpose of these paragraphs:</p> <ul style="list-style-type: none"> • 'Emphasis of Matter' paragraph: this is required to refer to a matter appropriately presented or disclosed in the financial statements that, in the auditor's judgement, is fundamental to the users' understanding of the financial statements; and • 'Other Matter' paragraph: this is required to refer to a matter not presented or disclosed in the financial statements that, in the auditor's judgement, is relevant to the users' understanding of the audit, the auditor's responsibilities or the audit report. <p>Once again, if the auditor expects to include such additional matters in their audit report they must communicate the fact, and an example wording, to those charged with governance.</p>
HKSA 710	<p><i>Comparative Information – Corresponding Figures and Comparative Financial Statements</i></p> <p>Redrafted</p>
ISA 720	<p><i>The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements</i></p> <p>Redrafted</p>
HKSA 800	<p><i>Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks</i></p> <p>Revised and redrafted but not examinable according to AAT Exam Paper 8 syllabus.</p>
HKSA 805	<p><i>Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i></p> <p>Revised and redrafted but not examinable according to AAT Exam Paper 8 syllabus.</p>
HKSA 810	<p><i>Engagements to Report on Summary Financial Statements</i></p> <p>Revised and redrafted but not examinable according to AAT Exam Paper 8 syllabus.</p>