SUPPLEMENT TO EXPOSURE DRAFT,
PROPOSED ISA 700 (REDRAFTED):
MAPPING DOCUMENT

This supplement to the International Auditing and Assurance Standards Board (IAASB) Exposure Draft, Proposed ISA 700 (Redrafted), "The Independent Auditor's Report on General Purpose Financial Statements," has been prepared by IAASB staff to demonstrate how the material in ISA 700 (Amended as a result of ISA 800 (Revised)) has been reflected in proposed ISA 700 (Redrafted).

Exhibit 1 identifies sentences describing auditor actions in the present tense and other relevant statements in ISA 700 (Amended) and indicates whether they are treated as a requirement or as application and other explanatory material in proposed ISA 700 (Redrafted).

Exhibit 2 maps the text of ISA 700 (Amended) (which may have been reworded as necessary) to proposed ISA 700 (Redrafted). The highlighted text identifies material that is proposed to be deleted or repositioned to another ISA as a result of redrafting. An explanation of the proposed deletion and other comments are provided, where appropriate.

Exhibit 3 presents proposed ISA 700 (Redrafted) and shows the source of the text (which may have been reworded as necessary).

Exhibit 4 presents International Auditing Practice Statement (IAPS) 1014, "Reporting by Auditors on Compliance with International Financial Reporting Standards) and shows how the text has been amended and incorporated in proposed ISA 700 (Redrafted).

The material included herein is provided only to assist readers of the exposure draft of proposed ISA 700 (Redrafted). It is for information purposes only and does not form part of the exposure draft. The IAASB has not approved, disapproved, or otherwise acted upon this supplement. It is neither authoritative nor an official pronouncement nor statement of the IAASB.

Exhibit 1

Proposed Disposition of the Present Tense and Other Statements

Those That Have Been Elevated to a Requirement or Essential Guidance

Para.	Statements in ISA 700 (Amended) as a result of ISA 800 (Revised)	New para. ref.	Rationale and comment (as necessary)
7	When forming an opinion on the financial statements, the auditor evaluates whether, based on the audit evidence, reasonable assurance has been obtained about whether the financial statements taken as a whole are free from material misstatement. This involves concluding whether sufficient appropriate audit evidence has been obtained to reduce to an acceptably low level the risks of material misstatement of the financial statements and evaluating the effects of uncorrected	8, 9	Important aspect of forming an opinion on financial statements.

Para.	Statements in ISA 700 (Amended) as a result of ISA 800 (Revised)	New para. ref.	Rationale and comment (as necessary)
	misstatements identified.		
8	The auditor evaluates whether the financial statements adequately refer to or describe the applicable financial reporting framework. The auditor also evaluates whether the financial statements have been prepared and presented in accordance with the specific requirements of the applicable financial reporting framework. This evaluation includes considering whether, in view of the specific requirements of the applicable financial reporting framework: …	10, 12	Important aspects of forming an opinion on financial statements.
9	Forming an opinion on financial statements prepared and presented in accordance with a fair presentation framework also involves evaluating whether those financial statements achieve fair presentation. The auditor considers the overall presentation, structure and content of the financial statements. The auditor also considers whether the financial statements, including the related explanatory notes, faithfully represent the underlying transactions and events in a manner that achieves fair presentation.	11	Important aspect of forming an opinion on financial statements.
10	There may be cases where the financial statements, although prepared and presented in accordance with the specific requirements of a fair presentation framework, do not achieve fair presentation … If management does not do so, the auditor considers the need to modify the opinion in the auditor's report in accordance with ISA 705.	15	Important aspect of form of opinion.
11	When financial statements are prepared and presented in accordance with a compliance framework, which is acceptable in the circumstances of the entity, it will be extremely rare for the auditor to consider such financial statements to be misleading. However, if the auditor encounters such extremely rare circumstances (i.e., where, in the auditor's professional judgment, the financial statements are misleading), the auditor discusses the matter with management and considers whether, and how, to deal with the matter in the auditor's report …	16	Important aspect of form of opinion.
61	… In case of such conflicts, the auditor's report refers only to the auditing standards (either ISAs or the relevant national auditing standards) in accordance with which the auditor has	40(a)	Important aspect of the auditor's report.

Para.	Statements in ISA 700 (Amended) as a result of ISA 800 (Revised)	New para. ref.	Rationale and comment (as necessary)
	complied with the reporting requirements.		
66	… When the supplementary information is not intended to be audited, the auditor considers whether that supplementary information is presented in a manner that could be construed as being covered by the auditor's opinion and, if so, asks management to change how the information is presented.	44	This action is required by the auditor in all instances where the auditor concludes that supplementary information that is presented together with the audited financial statements (but that is not an integral part thereof) and that is not intended to be covered by the auditor's opinion is not clearly differentiated from the audited financial statements.

II. Those That Have Been Treated as Application and Other Explanatory Material and Redrafted

Para.	Statements in ISA 700 (Amended) as a result of ISA 800 (Revised)	New para. ref.	Rationale and comment (as necessary)
17	.... Ordinarily, the auditor's report is addressed to those for whom the report is prepared, often either to the shareholders or to those charged with governance of the entity whose financial statements are being audited.	A18	Application material to paragraph 19 of the proposed redrafted ISA.
20	In the case of a complete set of financial statements, the auditor's opinion covers the complete set of financial statements as defined by the applicable financial reporting framework …	A20	Application material to paragraph 20 of the proposed redrafted ISA.
22	… For example, the auditor's opinion covers notes or supplementary schedules that are cross-referenced from the financial statements. This would also be the case when the notes to the financial statements include an explanation of the extent to which the financial statements comply with another financial reporting framework.	A49	Application material to paragraph 44 of the proposed redrafted ISA.
29	The auditor's report states that the auditor's responsibility is to	A24	Application material to

Para.	Statements in ISA 700 (Amended) as a result of ISA 800 (Revised)	New para. ref.	Rationale and comment (as necessary)
	express an opinion on the financial statements based on the audit in order to contrast it to management's responsibility for preparing and presenting the financial statements.		paragraph 26 of the proposed redrafted ISA.
38	The auditor's opinion states that the financial statements give a true and fair view of or present fairly, in all material respects, the information that the financial statements are designed to present (which is determined by the financial reporting framework). For example, in the case of a complete set of financial statements prepared in accordance with many financial reporting frameworks, the auditor expresses an opinion that the financial statements give a true and fair view of or present fairly, in all material respects, the financial position of the entity as at the end of the period and the entity's financial performance and cash flows for the period then ended.	A28	Application material to paragraph 31 of the proposed redrafted ISA.
40	To advise the reader of the context in which the auditor's opinion is expressed, the auditor's opinion identifies the applicable financial reporting framework on which the financial statements are based. When the applicable financial reporting framework is not IFRSs or International Public Sector Accounting Standards (IPSASs), the auditor's opinion also identifies the jurisdiction or country of origin of the applicable financial reporting framework. The auditor identifies the applicable financial reporting framework in such terms as …	A29	Application material to paragraph 33 of the proposed redrafted ISA.
41	For example, in the case of a complete set of financial statements prepared in accordance with IFRSs, the auditor expresses an opinion that the financial statements give a true and fair view of or present fairly, in all material respects, the financial position of the entity as at the end of the period and the entity's financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.	A28	
42	When the applicable financial reporting framework encompasses financial reporting standards supplemented by legal or regulatory requirements, the auditor identifies the applicable financial reporting framework in such terms as: "… in accordance with International Financial Reporting Standards and the requirements of Country X Corporations Act."	A30	Application material to paragraphs 31-32 of the proposed redrafted ISA.
47	The auditor addresses these other reporting responsibilities in a separate section of the report in order to clearly distinguish them from the auditor's responsibilities for, and opinion on, the financial statements.	A39	Application material to paragraph 35 of the proposed redrafted ISA.

Para.	Statements in ISA 700 (Amended) as a result of ISA 800 (Revised)	New para. ref.	Rationale and comment (as necessary)
49	The auditor's signature is either in the name of the audit firm, the personal name of the auditor or both, as appropriate for the particular jurisdiction …	A40	Application material to paragraph 37 of the proposed redrafted ISA.
53	In some jurisdictions, the law or regulation identifies the individuals or bodies (for example, the directors) that are responsible for concluding that all the statements that comprise the financial statements have been prepared, and specifies the necessary approval process. In such cases, the auditor obtains evidence of that approval before dating the report on the financial statements. In other jurisdictions, however, the approval process is not prescribed in law or regulation. In such cases, the auditor takes into account the procedures the entity follows in preparing and finalizing its financial statements in view of its management and governance structures in order to identify the individuals or body with the authority to conclude that all the statements that comprise the financial statements, including the related notes, have been prepared.	A43	Application material to paragraph 38 of the proposed redrafted ISA.
64	… Where specific requirements in a particular jurisdiction do not conflict with ISAs, the auditor adopts the layout and wording used in this ISA so that users can more readily recognize the auditor's report as a report on an audit conducted in accordance with ISAs.	A45	Application material to paragraph 40 of the proposed redrafted ISA.
66	The auditor considers, for example, where the unaudited information is presented in relation to the financial statements and any audited supplementary information, and whether it is clearly labeled as "unaudited."	A52	Application material to paragraph 44 of the proposed redrafted ISA.
66	The auditor asks management to remove any cross references from the financial statements to unaudited supplementary schedules or unaudited notes because the demarcation between the audited and unaudited information would not be sufficiently clear. Unaudited notes that are intermingled with the audited notes can also be misinterpreted as being audited. Therefore, the auditor asks the entity to place the unaudited information outside of the financial statements, or, if that is not possible in the circumstances, at a minimum, place the unaudited notes together at the end of the required notes to the financial statements and clearly label them as unaudited.	A53	Application material to paragraph 44 of the proposed redrafted ISA.

Exhibit 2

Mapping Document

This mapping document demonstrates how the material in ISA 700 (Amended) has been reflected in the proposed redrafted ISA. Highlighted material identifies material that is proposed to be eliminated or repositioned to another ISA (as needed) as a result of redrafting. An explanation of any proposed deletions and other comments are provided, where appropriate.

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
Introduction		
1. The purpose of this International Standard on Auditing (ISA) is to establish standards and provide guidance on the independent auditor's report issued as a result of an audit of general purpose financial statements. This ISA also establishes standards and provides guidance on forming an opinion on financial statements.	1	
2. "General purpose financial statements" are financial statements prepared in accordance with a financial reporting framework designed to meet the common financial information needs of a wide range of users. Reference to "financial statements" in this ISA should be read as "general purpose financial statements," and can be to a complete set of financial statements or a single financial statement. The requirements of the applicable financial reporting framework determine the form and content of the financial statements and what constitutes a complete set of financial statements.	6, 7 Footnote 2	
3. ISA 800, "Special Considerations—Audits of Special Purpose Financial Statements and Specific Elements, Accounts or Items of a Financial Statement" contains standards and guidance on the independent auditor's report issued as a result of an audit of financial statements prepared in accordance with a financial reporting framework designed to meet the financial information needs of specific users ("special purpose financial statements"), as well as on the independent auditor's report issued as a result of an audit of specific elements, accounts or items of a financial statement.	-	Reference considered unnecessary. Titles of proposed ISAs 700 (Redrafted) and 800 (Revised and Redrafted) clearly describe their respective contents.

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
4. ISA 705, "Modifications to the Opinion in the Independent Auditor's Report" contains additional standards and guidance on circumstances that may result in a modified opinion, the type of modification required, and the form and content of the auditor's report when the opinion is modified. ISA 706, "Emphasis of Matter Paragraphs and Other Matter(s) Paragraphs in the Independent Auditor's Report" contains additional standards and guidance on circumstances when the auditor considers including an Emphasis of Matter paragraph or an Other Matter(s) paragraph in the auditor's report, and the form and placement of such paragraphs.	2	
5. **The auditor's report should contain a clear expression of the auditor's opinion on the financial statements.**	5	
Forming an Opinion on the Financial Statements		
6. **The auditor should evaluate the conclusions drawn from the audit evidence obtained as the basis for forming an opinion on the financial statements.**	5	
7. When forming an opinion on the financial statements, the auditor evaluates whether, based on the audit evidence, reasonable assurance has been obtained about whether the financial statements taken as a whole are free from material misstatement. This involves concluding whether sufficient appropriate audit evidence has been obtained to reduce to an acceptably low level the risks of material misstatement of the financial statements and evaluating the effects of uncorrected misstatements identified.	8, 9	
8. The auditor evaluates whether the financial statements adequately refer to or describe the applicable financial reporting framework. The auditor also evaluates whether the financial statements have been prepared and presented in accordance with the specific requirements of the applicable financial reporting framework. This evaluation includes considering whether, in view of the specific requirements of the applicable financial reporting framework: (a) The financial statements adequately disclose the significant accounting policies selected and	10, 12	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
applied, and significant interpretations by management of regulatory or legal requirements. In jurisdictions where the applicable financial reporting framework is so codified as to preclude a choice of accounting policies or significant interpretations by management, a reference to the applicable financial reporting framework may suffice; (b) The accounting policies selected and applied are consistent with the applicable financial reporting framework and are appropriate; (c) The accounting estimates made by management are reasonable; (d) The information presented in the financial statements is relevant, reliable, comparable and understandable; (e) 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, for example, in the case of financial statements prepared and presented in accordance with many general purpose frameworks, the entity's financial position, financial performance and cash flows; and (f) The terminology used in the financial statements, including their titles, is appropriate.		
9. Forming an opinion on financial statements prepared and presented in accordance with a fair presentation framework also involves evaluating whether those financial statements achieve fair presentation. The auditor considers the overall presentation, structure and content of the financial statements. The auditor also considers whether the financial statements, including the related explanatory notes, faithfully represent the underlying transactions and events in a manner that achieves fair presentation.	11	
10. There may be cases where the financial statements, although prepared and presented in accordance with the specific requirements of a fair presentation framework, do not achieve fair presentation. Where this is the case, management has a responsibility to provide disclosures beyond the specific requirements of the framework or, in extremely rare circumstances, to depart from a specific	15, A13	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
requirement in the framework to achieve fair presentation of the financial statements, as explained in ISA 200, "Objective and General Principles Governing an Audit of Financial Statements." If management does not do so, the auditor considers the need to modify the opinion in the auditor's report in accordance with ISA 705.		
11. When financial statements are prepared and presented in accordance with a compliance framework, which is acceptable in the circumstances of the entity, it will be extremely rare for the auditor to consider such financial statements to be misleading. However, if the auditor encounters such extremely rare circumstances (i.e., where, in the auditor's professional judgment, the financial statements are misleading), the auditor discusses the matter with management and considers whether, and how, to deal with the matter in the auditor's report. The auditor's response, if any, will depend on whether, and how, management addresses the matter in the financial statements.	16, A14	
Elements of the Auditor's Report		
12. Consistency in the auditor's report, when the audit has been conducted in accordance with the ISAs, 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 reader's understanding and to identify unusual circumstances when they occur.	3	
13. Paragraphs 14-55 set out the requirements relating to the following elements of the auditor's report: (a) Title; (b) Addressee; (c) Introductory paragraph; (d) Management's responsibility for the financial statements; (e) Auditor's responsibility;	-	Splitting requirements and application material reduced the volume of text and made the summary unnecessary.

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
(f) Auditor's opinion; (g) Other matters; (h) Other reporting responsibilities; (i) Auditor's signature; (j) Date of the auditor's report; and (k) Auditor's address.		
Title		
14. **The auditor's report should have a title that clearly indicates that it is the report of an independent auditor.**	18	
15. A title indicating the report is the report of an independent auditor, for example, "Independent Auditor's Report," affirms that the auditor has met all of the relevant ethical requirements regarding independence and, therefore, distinguishes the independent auditor's report from reports issued by others.	A17	
Addressee		
16. **The auditor's report should be addressed as required by the circumstances of the engagement.**	19	
17. National laws or regulations often specify to whom the auditor's report should be addressed in that particular jurisdiction. Ordinarily, the auditor's report is addressed to those for whom the report is prepared, often either to the shareholders or to those charged with governance of the entity whose financial statements are being audited.	A18	
Introductory Paragraph		

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
18. **The introductory paragraph in the auditor's report should identify the entity whose financial statements have been audited and should state that the financial statements have been audited. The introductory paragraph should also:** (a) **Identify the title of each statement that comprises the financial statements;** (b) **Refer to the summary of significant accounting policies and other explanatory notes; and** (c) **Specify the date or period covered by each financial statement comprising the financial statements.**	20	
19. This requirement is ordinarily met by stating that the auditor has audited the accompanying financial statements of the entity, which comprise [state the title of each financial statement comprising the complete set of financial statements required by the applicable financial reporting framework (or, where applicable, the title of the single financial statement), specifying the date or period covered by each financial statement] and referring to the summary of significant accounting policies and other explanatory notes. In addition, when the auditor is aware that the financial statements will be included in a document that contains other information, such as an annual report, the auditor may consider, if the form of presentation allows, identifying the page numbers on which the financial statements are presented. This helps readers to identify the financial statements to which the auditor's report relates.	A19	
20. In the case of a complete set of financial statements, the auditor's opinion covers the complete set of financial statements as defined by the applicable financial reporting framework. For example, in the case of financial statements prepared in accordance with International Financial Reporting Standards (IFRSs), this includes: a balance sheet, an income statement, a statement of changes in equity, a cash flow statement, and a summary of significant accounting policies and other explanatory notes. In some jurisdictions additional information might also be considered to be an integral part of the financial statements.	A20	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
21. In some circumstances, the entity may be required by law or regulation or standards, or may voluntarily choose, to present together with the financial statements supplementary information that is not required by the applicable financial reporting framework. For example, supplementary information might be presented to enhance a user’s understanding of the applicable financial reporting framework or to provide further explanation of specific financial statement items. Such information is normally presented in either supplementary schedules or as additional notes.	A48	
The auditor’s opinion may or may not cover the supplementary information and it is therefore important for the auditor to be satisfied that any supplementary information that is not covered by the auditor’s opinion is clearly differentiated, as discussed in paragraphs 65-69.	44	
22. In some circumstances, the supplementary information cannot be clearly differentiated from the financial statements because of its nature and how it is presented. Such supplementary information is covered by the auditor’s opinion. For example, the auditor’s opinion covers notes or supplementary schedules that are cross-referenced from the financial statements. This would also be the case when the notes to the financial statements include an explanation of the extent to which the financial statements comply with another financial reporting framework.	43, A49	
23. Supplementary information that is presented as an integral part of the financial statements does not need to be specifically referred to in the introductory paragraph of the auditor’s report when the reference to the notes in the description of the statements that comprise the financial statements in the introductory paragraph is sufficient.	A50	
Management’s Responsibility for the Financial Statements		
24. **The auditor’s report should state that management is responsible for preparing and presenting the financial statements in accordance with the applicable financial reporting framework and that this responsibility includes:** (a) **Designing, implementing and maintaining internal control relevant to preparing and**	22, 23	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
presenting financial statements that are free from material misstatement, whether due to fraud or error; (b) **Selecting and applying appropriate accounting policies; and** (c) **Making accounting estimates that are reasonable in the circumstances.** Where the phrases "give a true and fair view" or "are presented fairly, in all material respects," are used to express the auditor's opinion on the financial statements, the statement of management's responsibility for the financial statements refers to "the preparation and *fair* presentation of the financial statements" instead of "preparation and presentation."		
25. Financial statements are the representations of management. Management is responsible for preparing and presenting the financial statements in accordance with the applicable financial reporting framework. For example, in the case of many general purpose frameworks, management is responsible for preparing financial statements that fairly present the financial position, financial performance and cash flows of the entity in accordance with those frameworks. To fulfill this responsibility, management designs and implements internal control to prevent or to detect and correct misstatements, whether due to fraud or error, in order to ensure the reliability of the entity's financial reporting. The preparation of the financial statements requires management to exercise judgment in making accounting estimates that are reasonable in the circumstances, as well as to select and apply appropriate accounting policies. These judgments are made in the context of the applicable financial reporting framework.	A21 Footnote 5	
26. There may be circumstances when it is appropriate for the auditor to add to the description of management's responsibilities in paragraph 24 to reflect additional responsibilities that are relevant to preparing and presenting the financial statements in the context of the particular jurisdiction or the nature of the entity.	A22	
27. The term management has been used in this ISA to describe those responsible for preparing and presenting the financial statements. Other terms may be appropriate depending on the legal	A23	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
framework in the particular jurisdiction. For example, in some jurisdictions, the appropriate reference may be to those charged with governance (for example, the directors).		
Auditor's Responsibility		
28. **The auditor's report should state that the responsibility of the auditor is to express an opinion on the financial statements based on the audit.**	25	
29. The auditor's report states that the auditor's responsibility is to express an opinion on the financial statements based on the audit in order to contrast it to management's responsibility for preparing and presenting the financial statements.	A24	
30. **The auditor's report should state that the audit was conducted in accordance with International Standards on Auditing. The auditor's report should also explain that those standards require that the auditor comply with ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.**	26	
31. The reference to the standards used conveys to the reader that the audit has been conducted in accordance with established standards.	A25	
32. **The auditor should not describe the audit as being conducted in accordance with the ISAs unless the auditor has complied fully with all of the ISAs relevant to the audit.** In accordance with ISA 200, the auditor may in exceptional circumstances judge it necessary to depart from a basic principle or an essential procedure that is relevant in the circumstances of the audit in order to achieve the objective of the audit. In such a case, the auditor is not precluded from representing compliance with ISAs, provided the departure is appropriately documented as required by ISA 230 (Revised), "Audit Documentation."	A26	The requirement is established in proposed ISA 200 (Revised and Redrafted). This paragraph was amended to refer to the requirement in that ISA rather than repeating it here. Text was deleted because the matter is dealt with in proposed ISA 230 (Redrafted).

ISA 700 (Amended as a result of ISA 800 (Revised))	**New para. ref.**	**Comment on proposed deletion of highlighted material, significant edits, and other notes**
33. **The auditor's report should describe an audit by stating that:** (a) **An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements;** (b) **The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. In circumstances when the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor should omit the phrase that the auditor's consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of internal control; and** (c) **An audit also includes evaluating the appropriateness of the accounting policies used, the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements.** Where the phrases "give a true and fair view" or "are presented fairly, in all material respects," are used to express the auditor's opinion on the financial statements, the description of the audit refers to "the preparation and *fair* presentation of the financial statements" instead of "preparation and presentation."	27, 28	
34. **The auditor's report should state that the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor's opinion.**	29	
Auditor's Opinion		

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
35. **An unmodified opinion should be expressed when the auditor concludes that the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.**	13	
36. **When expressing an unmodified opinion on financial statements prepared and presented in accordance with a fair presentation framework, the opinion paragraph of the auditor's report should state the auditor's opinion that the financial statements give a true and fair view or present fairly, in all material respects, in accordance with the applicable financial reporting framework (unless otherwise required by law or regulation). In all other cases, the auditor's opinion should state that the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.**	31, 32	
37. The phrases "give a true and fair view" and "present fairly, in all material respects," are equivalent for purposes of the ISAs. Which of these phrases is used in any particular jurisdiction is determined by the law or regulation governing the audit of financial statements in that jurisdiction, or by established practice in that jurisdiction. Where law or regulation requires the use of different wording, the auditor's responsibility to evaluate the fair presentation of financial statements prepared and presented in accordance with a fair presentation framework is the same.	31, A27	
38. The auditor's opinion states that the financial statements give a true and fair view of or present fairly, in all material respects, the information that the financial statements are designed to present (which is determined by the financial reporting framework). For example, in the case of a complete set of financial statements prepared in accordance with many financial reporting frameworks, the auditor expresses an opinion that the financial statements give a true and fair view of or present fairly, in all material respects, the financial position of the entity as at the end of the period and the entity's financial performance and cash flows for the period then ended.	A28	
39. **When International Financial Reporting Standards or International Public Sector Accounting Standards are not used as the financial reporting framework, the reference to the financial**	33 Footnote 3	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
reporting framework in the wording of the opinion should identify the jurisdiction or country of origin of the financial reporting framework.		
40. To advise the reader of the context in which the auditor's opinion is expressed, the auditor's opinion identifies the applicable financial reporting framework on which the financial statements are based. When the applicable financial reporting framework is not IFRSs or International Public Sector Accounting Standards (IPSASs), the auditor's opinion also identifies the jurisdiction or country of origin of the applicable financial reporting framework. The auditor identifies the applicable financial reporting framework in such terms as: "… in accordance with International Financial Reporting Standards" or "… in accordance with accounting principles generally accepted in Country X …"	A29	The second sentence was deleted as it merely repeats the requirement in paragraph 33 of the proposed redrafted ISA.
41. For example, in the case of a complete set of financial statements prepared in accordance with IFRSs, the auditor expresses an opinion that the financial statements give a true and fair view of or present fairly, in all material respects, the financial position of the entity as at the end of the period and the entity's financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.	A28	
42. When the applicable financial reporting framework encompasses financial reporting standards supplemented by legal or regulatory requirements, the auditor identifies the applicable financial reporting framework in such terms as: "… in accordance with International Financial Reporting Standards and the requirements of Country X Corporations Act." (ISA 210, "Terms of Audit Engagements" contains standards and guidance for circumstances where there are conflicts between the financial reporting standards and the	A30	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
legislative or regulatory requirements.)		
Other Matters		
43. Standards, laws or generally accepted practice in a jurisdiction may require or permit the auditor to elaborate on matters that provide further explanation of the auditor's responsibilities in the audit of the financial statements or of the auditor's report thereon. Such matters may be addressed in a separate paragraph following the auditor's opinion. ISA 706 contains standards and guidance for other matter(s) paragraphs in the auditor's report.	34, A36	
Other Reporting Responsibilities		
44. In some jurisdictions, the auditor may have additional responsibilities to report on other matters that are supplementary to the auditor's responsibility to express an opinion on the financial statements. For example, the auditor may be asked to report certain matters if they come to the auditor's attention during the course of the audit of the financial statements. Alternatively, the auditor may be asked to perform and report on additional specified procedures, or to express an opinion on specific matters, such as the adequacy of accounting books and records. Auditing standards in the specific jurisdiction or country often provide guidance on the auditor's responsibilities with respect to specific additional reporting responsibilities in that jurisdiction or country.	A37	
45. In some cases, the relevant standards or laws may require or permit the auditor to report on these other responsibilities within the auditor's report on the financial statements. In other cases, the auditor may be required or permitted to report on them in a separate report.	A38	
46. **When the auditor addresses other reporting responsibilities within the auditor's report on the financial statements, these other reporting responsibilities should be addressed in a separate section in the auditor's report that follows the opinion paragraph.**	35	
47. The auditor addresses these other reporting responsibilities in a separate section of the report in	A39	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
order to clearly distinguish them from the auditor's responsibilities for, and opinion on, the financial statements.		
Auditor's Signature		
48. **The auditor's report should be signed.**	37	
49. The auditor's signature is either in the name of the audit firm, the personal name of the auditor or both, as appropriate for the particular jurisdiction. In addition to the auditor's signature, in certain jurisdictions, the auditor may be required to declare the auditor's professional accountancy designation or the fact that the auditor or firm, as appropriate, has been recognized by the appropriate licensing authority in that jurisdiction.	A40	
Date of the Auditor's Report		
50. **The auditor should date the report on the financial statements no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the opinion on the financial statements. Sufficient appropriate audit evidence should include evidence that all the statements that comprise the financial statements have been prepared and that those with the recognized authority have asserted that they have taken responsibility for them.**	38	
51. The date of the auditor's report informs the reader that the auditor has considered the effect of events and transactions of which the auditor became aware and that occurred up to that date. The auditor's responsibility for events and transactions after the date of the auditor's report is addressed in ISA 560, "Subsequent Events."	A41	
52. Since the auditor's opinion is provided on the financial statements and the financial statements are the responsibility of management, the auditor is not in a position to conclude that sufficient appropriate audit evidence has been obtained until the auditor obtains evidence that all the	A42	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
statements that comprise the financial statements have been prepared and management has accepted responsibility for them.		
53. In some jurisdictions, the law or regulation identifies the individuals or bodies (for example, the directors) that are responsible for concluding that all the statements that comprise the financial statements have been prepared, and specifies the necessary approval process. In such cases, the auditor obtains evidence of that approval before dating the report on the financial statements. In other jurisdictions, however, the approval process is not prescribed in law or regulation. In such cases, the auditor takes into account the procedures the entity follows in preparing and finalizing its financial statements in view of its management and governance structures in order to identify the individuals or body with the authority to conclude that all the statements that comprise the financial statements, including the related notes, have been prepared.	A43	
54. In some jurisdictions, final approval of the financial statements by shareholders is required before the financial statements are issued publicly. In these jurisdictions, final approval by shareholders is not necessary for the auditor to conclude that sufficient appropriate audit evidence has been obtained. The date of approval of the financial statements for purposes of the ISAs is the earlier date on which those with the recognized authority determine that all the statements that comprise the financial statements have been prepared.	A44	
Auditor's Address		
55. **The report should name the location in the country or jurisdiction where the auditor practices.**	39	
Auditor's Report		
56. **The auditor's report should be in writing.**	17	
57. A written report encompasses both reports issued in hard copy format and those using an electronic	A15	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
medium.		
58. The Appendix contains illustrations of auditors' reports on general purpose financial statements, incorporating the elements set forth above.	A16	
Auditor's Report for Audits Conducted in Accordance with Both ISAs and Auditing Standards of a Specific Jurisdiction or Country		
59. The auditor may conduct the audit in accordance with both the ISAs and the auditing standards of a specific jurisdiction or country (for purposes of this ISA referred to as "national auditing standards").	40	
60. As required in paragraph 32, the auditor's report refers to the audit having been conducted in accordance with the International Standards on Auditing only when the auditor has complied fully with all of the International Standards on Auditing relevant to the audit.	-	Paragraph deleted. See paragraph A26 of the proposed redrafted ISA, which refers to the requirement in proposed ISA 200 (Revised and Redrafted). It was not considered necessary to repeat the reference here.
61. The auditor may refer to the audit having been conducted in accordance with both ISAs as well as national auditing standards when the auditor complies with each of the ISAs relevant to the audit and performs any additional audit procedures necessary to comply with the relevant standards of that jurisdiction or country. A reference to both the ISAs and national auditing standards is not appropriate if there is a conflict between the reporting requirements regarding the auditor's report in the ISAs and in the national auditing standards that affects the auditor's opinion or the need to include an emphasis of matter paragraph in the particular circumstances. For example, some national auditing standards prohibit the auditor from including an emphasis of matter paragraph to highlight a going concern problem, whereas ISA 570, "Going Concern" requires the auditor to add an emphasis of matter paragraph in such circumstances. In case of such conflicts, the auditor's report refers only to the auditing standards (either ISAs or the relevant national auditing standards)	40(a), A46, A47	

ISA 700 (Amended as a result of ISA 800 (Revised))	**New para. ref.**	**Comment on proposed deletion of highlighted material, significant edits, and other notes**
in accordance with which the auditor has complied with the reporting requirements.		
62. **When the auditor's report refers to both International Standards on Auditing and auditing standards of a specific jurisdiction or country, the auditor's report should identify the jurisdiction or country of origin of the auditing standards.**	41	
63. **When the auditor prepares the auditor's report using the layout or wording specified by the law, regulation or auditing standards of the specific jurisdiction or country, the auditor's report should refer to the audit being conducted in accordance with both International Standards on Auditing and the auditing standards of the specific jurisdiction or country only if the auditor's report includes, at a minimum, each of the following elements:** (a) **A title;** (b) **An addressee, as required by the circumstances of the engagement;** (c) **An introductory paragraph that identifies the financial statements audited;** (d) **A description of management's responsibility for preparing and presenting the financial statements;** (e) **A description of the auditor's responsibility to express an opinion on the financial statements and the scope of the audit, that includes:** (i) **A reference to the International Standards on Auditing and the auditing standards of the specific jurisdiction or country, and** (ii) **A description of the work an auditor performs in an audit.** (f) **An opinion paragraph containing an expression of opinion on the financial statements[6] and a reference to the applicable financial reporting framework used to prepare the financial statements (including identifying the country of origin of the financial reporting framework that is not International Financial Reporting Standards or International Public Sector Accounting Standards);**	40	Footnote 6 was deleted because the matter is addressed in paragraph 2 of the proposed redrafted ISA.

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
(g) **The auditor's signature;** (h) **The date of the auditor's report; and** (i) **The auditor's address.**		
64. The auditor may be obliged by national law or regulation to use a layout or wording in the auditor's report that differs from that described in this ISA. When the differences only relate to the layout and wording of the auditor's report, the auditor will be considered to have complied with the reporting requirements of the ISAs provided that the auditor's report includes, at a minimum, each of the elements identified in paragraph 63 – even if using the layout and wording specified by national laws or regulations. Where specific requirements in a particular jurisdiction do not conflict with ISAs, the auditor adopts the layout and wording used in this ISA so that users can more readily recognize the auditor's report as a report on an audit conducted in accordance with ISAs.	A45	
Unaudited Supplementary Information Presented with Audited Financial Statements		The text in paragraphs 21-22 of ISA 700 (Amended) was combined with the text in paragraphs 65-69 of ISA 700 (Amended).
65. **The auditor should be satisfied that any supplementary information presented together with the financial statements that is not covered by the auditor's opinion is clearly differentiated from the audited financial statements.**	44	
66. As noted in paragraphs 21-22, the entity may be required to, or management may choose to, include supplementary information together with the financial statements. The auditor's opinion is considered to cover supplementary information that cannot be clearly differentiated from the financial statements because of its nature and how it is presented.	43	
In other circumstances, however, law or regulation may not require the supplementary information	A51	

ISA 700 (Amended as a result of ISA 800 (Revised))	New para. ref.	Comment on proposed deletion of highlighted material, significant edits, and other notes
to be audited and management may not ask the auditor to include the supplementary information within the scope of the audit of the financial statements.		
When the supplementary information is not intended to be audited, the auditor considers whether that supplementary information is presented in a manner that could be construed as being covered by the auditor's opinion and, if so, asks management to change how the information is presented. The auditor considers, for example, where the unaudited information is presented in relation to the financial statements and any audited supplementary information, and whether it is clearly labeled as "unaudited."	44, A52	
The auditor asks management to remove any cross references from the financial statements to unaudited supplementary schedules or unaudited notes because the demarcation between the audited and unaudited information would not be sufficiently clear. Unaudited notes that are intermingled with the audited notes can also be misinterpreted as being audited. Therefore, the auditor asks the entity to place the unaudited information outside of the financial statements, or, if that is not possible in the circumstances, at a minimum, place the unaudited notes together at the end of the required notes to the financial statements and clearly label them as unaudited.	A53	
67. As noted in paragraph 19, when the auditor is aware that the financial statements will be included in a document that contains other information, the auditor may consider, if the form of presentation allows, identifying the page numbers on which the audited financial statements are presented in the auditor's report. This helps readers differentiate the financial statements from other information not covered by the auditor's opinion.	A19	
68. **If the auditor concludes that the entity's presentation of any unaudited supplementary information does not differentiate it sufficiently from the audited financial statements, the auditor should explain in the auditor's report that that information has not been audited.**	44	
69. The fact that supplementary information is unaudited does not relieve the auditor of the responsibility to read that information to identify material inconsistencies with the audited financial statements. The auditor's responsibilities with respect to unaudited supplementary information are	A54	

ISA 700 (Amended as a result of ISA 800 (Revised))	**New para. ref.**	**Comment on proposed deletion of highlighted material, significant edits, and other notes**
consistent with those described in ISA 720, "Other Information in Documents Containing Audited Financial Statements."		
Effective Date		
70. This ISA is effective for auditors' reports dated on or after [date].	4 Footnote 1	
Public Sector Perspective		
1. Some terms in this ISA such as "engagement partner" and "firm" should be read as referring to their public sector equivalents. *2. In the public sector, legislation governing the audit mandate may specify the layout of or words to be used in the auditor's report. When the auditor prepares the auditor's report using the layout or wording specified in such legislation, the auditor's report should refer to the audit being conducted in accordance with ISAs, and the legislation governing the audit mandate, only if the auditor's report includes, at a minimum, each of the elements specified in paragraph 65(a)-(j). As discussed in paragraph 66, where legislation governing the audit mandate does not conflict with ISAs, the auditor adopts the layout and wording used in this ISA so that users can more readily recognize the auditor's report as a report on an audit conducted in accordance with ISAs.* *3. In addition, such legislation may specify the responsibilities of management and auditors in relation to the audit. The descriptions of such responsibilities included in the auditor's report will need to reflect the requirements of the legislation.*		Text was deleted. Paragraph 1 is covered in the Glossary of Terms. Paragraph 2 is covered in paragraphs 40-42 and the related application material of the proposed redrafted ISA. Paragraph 3 is covered in paragraphs 35-36 and the related application material of the proposed redrafted ISA.

The Appendix is not reproduced as part of this supplement.

Exhibit 3

Mapping Document

Para. of ISA 700 (Amended) (unless otherwise indicated)	Para. of ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted)
		Introduction
		Scope of this ISA
1	1	This International Standard on Auditing (ISA) deals with the independent auditor's report issued as a result of an audit of general purpose financial statements. It also deals with forming an opinion on the financial statements.
4	2	[Proposed] ISA 705 (Revised and Redrafted), "Modifications to the Opinion in the Independent Auditor's Report" deals with circumstances that may result in a modified opinion, the type of modification required, and how the form and content of the auditor's report is affected in such circumstances. [Proposed] ISA 706 (Revised and Redrafted), "Emphasis of Matter Paragraphs and Other Matter(s) Paragraphs in the Independent Auditor's Report" deals with circumstances when the auditor considers including an Emphasis of Matter paragraph or an Other Matter(s) paragraph in the auditor's report, and the form and placement of such paragraphs.
12	3	Consistency in the auditor's report, when the audit has been conducted in accordance with International Standards on Auditing, 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 circumstances when they occur.
		Effective Date
70	4	This ISA is effective for audits of financial statements for periods beginning on or after [date].
		Objectives
5, 6	5	The objectives of the auditor are to: (a) Form an opinion on the financial statements based on an evaluation of the conclusions drawn from the audit evidence obtained; and (b) Express clearly that opinion through a written report that explains the basis of

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
		the opinion.
		Definitions
2	6	For purposes of the ISAs, the following terms have the meanings attributed below: (a) General purpose financial statements – Financial statements prepared in accordance with a general purpose framework. (b) General purpose framework – A financial reporting framework designed to meet the common financial information needs of a wide range of users.
2	7	Reference to "financial statements" in this ISA should be read as "general purpose financial statements," and can be to a complete set of financial statements or a single financial statement.
		Requirements
		Forming an Opinion on the Financial Statements
7	8	In forming the auditor's opinion whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework, the auditor shall conclude whether reasonable assurance has been obtained about whether the financial statements taken as a whole are free from material misstatement.
7	9	The auditor's conclusion shall take into account: (a) The auditor's conclusion whether sufficient appropriate audit evidence has been obtained, in accordance with ISA 330 (Redrafted), "The Auditor's Responses to Assessed Risks;" (b) The auditor's conclusion whether uncorrected misstatements are material, individually or in aggregate, in accordance with [proposed] ISA 450 (Revised and Redrafted), "Evaluation of Misstatements Identified during the Audit;" and (c) The auditor's evaluations required by paragraphs 10-12.
8	10	The auditor shall evaluate whether the financial statements are prepared and presented, in all material respects, in accordance with the specific requirements of

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
		the applicable financial reporting framework.
Proposed ISA 450 (Revised and Redrafted)		This evaluation shall include consideration of the qualitative aspects of the entity's accounting practices, including indicators of possible bias in management's judgments.
8		In particular, the auditor shall evaluate whether, in view of the specific requirements of the applicable financial reporting framework: (a) The financial statements adequately disclose the significant accounting policies selected and applied, and significant interpretations by management of regulatory or legal requirements. In jurisdictions where the applicable financial reporting framework is so codified as to preclude a choice of accounting policies or significant interpretations by management, a reference to the applicable financial reporting framework may suffice; (b) The accounting policies selected and applied are consistent with the applicable financial reporting framework and are appropriate; (c) The accounting estimates made by management are reasonable; (d) The information presented in the financial statements is relevant, reliable, comparable and understandable; (e) 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, for example, in the case of financial statements prepared and presented in accordance with many general purpose frameworks, the entity's financial position, financial performance and cash flows; and (f) The terminology used in the financial statements, including their titles, is appropriate.
9	11	When the financial statements are prepared and presented in accordance with a fair presentation framework, the auditor shall evaluate whether the financial statements achieve fair presentation. The auditor's evaluation shall include consideration of: (a) The overall presentation, structure and content of the financial statements; and (b) Whether the financial statements, including the related explanatory notes, faithfully represent the underlying transactions and events in a manner that

Para. of ISA 700 (Amended) (unless otherwise indicated)	Para. of ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted)
		achieves fair presentation.
8	12	The auditor shall evaluate whether the financial statements adequately refer to or describe the applicable financial reporting framework.
		Form of Opinion
35 New text highlights the difference in wording of the auditor's opinion when the applicable financial reporting framework is a fair presentation framework.	13	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 including, in the case of a fair presentation framework, that the financial statements give a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework (see paragraphs 31-32).
Paragraph 19 of proposed ISA 450 (Revised and Redrafted)	14	If the auditor concludes that the financial statements as a whole are materially misstated, or is unable to conclude that the financial statements as a whole are not materially misstated, the auditor shall consider the effect thereof on the opinion in the auditor's report in accordance with [proposed] ISA 705 (Revised and Redrafted).
10 Extant ISA 700 – to align the requirements for fair presentation frameworks and compliance	15	When financial statements prepared and presented in accordance with the specific requirements of a fair presentation framework do not achieve fair presentation, the auditor shall discuss the matter with management and, depending on the requirements of the applicable financial reporting framework and how the matter is resolved, shall determine whether it is necessary to modify the opinion in the auditor's report in accordance with [proposed] ISA 705 (Revised and Redrafted).

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
frameworks so that the similarities and differences are clear.		
11 New text provides a "hook" for requirements regarding the auditor's actions described elsewhere in the ISAs (e.g., proposed ISA 550 (Revised and Redrafted)) when the auditor concludes that financial statements prepared in accordance with a compliance framework are misleading.	16	When the financial statements are prepared and presented in accordance with a compliance framework, the auditor is not required to evaluate whether the financial statements achieve fair presentation. However, in extremely rare circumstances, the auditor may conclude that such financial statements are misleading. In such a case, the auditor shall discuss the matter with management and, depending on how it is resolved, shall determine whether, and how, to deal with it in the auditor's report.
		Auditor's Report
56	17	The auditor's report shall be in writing.

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
		Auditor's Report for Audits Conducted in Accordance with International Standards on Auditing
		Title
14	18	The auditor's report shall have a title that clearly indicates that it is the report of an independent auditor.
		Addressee
16	19	The auditor's report shall be addressed as required by the circumstances of the engagement.
		Introductory Paragraph
18	20	The introductory paragraph in the auditor's report shall: (a) Identify the entity whose financial statements have been audited; (b) State that the financial statements have been audited; (c) Identify the title of each statement that comprises the financial statements; (d) Refer to the summary of significant accounting policies and other explanatory notes; and (e) Specify the date or period covered by each financial statement comprising the financial statements.
		Management's Responsibility for the Financial Statements
New text aligns proposed ISA 700 (Redrafted) with proposed ISAs 705 / 706 (Revised and Redrafted), which mandate the use of	21	The auditor's report shall include a section with the heading "Management's Responsibility for the Financial Statements."

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
headings in the auditor's report.		
24	22	In the Management's Responsibility for the Financial Statements section, the auditor's report shall state that management is responsible for the preparation and presentation of the financial statements in accordance with the applicable financial reporting framework and that this responsibility includes: (a) Designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; (b) Selecting and applying appropriate accounting policies; and (c) Making accounting estimates that are reasonable in the circumstances.
24 Amended to recognize jurisdictions that use the phrase "give a true and fair view" as opposed to "are presented fairly, in all material respects."	23	Where the financial statements are prepared in accordance with a fair presentation framework, the statement of management's responsibility for the financial statements shall refer to "the preparation and fair presentation of the financial statements" or "the preparation and presentation of financial statements that give a true and fair view," as appropriate in the circumstances, instead of "preparation and presentation."
		Auditor's Responsibility
New text aligns proposed ISA 700 (Redrafted) with proposed ISAs 705 / 706 (Revised and	24	The auditor's report shall include a section with the heading "Auditor's Responsibility."

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
Redrafted), which mandate the use of headings in the auditor’s report.		
28	25	In the Auditor’s Responsibility section, the auditor’s report shall state that the responsibility of the auditor is to express an opinion on the financial statements based on the audit.
30	26	The auditor’s report shall state that the audit was conducted in accordance with International Standards on Auditing. The auditor’s report shall also explain that those standards require that the auditor comply with ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
33	27	The auditor’s report shall describe an audit by stating that: (a) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements; (b) The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. In circumstances when the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor shall omit the phrase that the auditor’s consideration of internal control is not for the purpose of expressing an opinion on the effectiveness of internal control; and (c) An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements.
33	28	Where the financial statements are prepared in accordance with a fair presentation framework, the description of the audit shall refer to “the entity’s preparation and

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
Amended to recognize jurisdictions that use the phrase “give a true and fair view” as opposed to “are presented fairly, in all material respects.”		fair presentation of the financial statements” or “the entity’s preparation and presentation of financial statements that give a true and fair view,” as appropriate in the circumstances, instead of “preparation and presentation.”
34	29	The auditor’s report shall state whether the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor’s opinion.
		Auditor’s Opinion
New text aligns proposed ISA 700 (Redrafted) with proposed ISAs 705 / 706 (Revised and Redrafted), which mandate the use of headings in the auditor’s report.	30	The auditor’s report shall include a section with the heading “Opinion.”
36, 37	31	When expressing an unmodified opinion on financial statements prepared and presented in accordance with a fair presentation framework, the auditor’s opinion shall, unless otherwise required by law or regulation, use one of the following phrases, which are regarded as being equivalent: (a) The financial statements give a true and fair view in accordance with the

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
		applicable financial reporting framework; or (b) The financial statements present fairly, in all material respects, in accordance with the applicable financial reporting framework.
36	32	When expressing an unmodified opinion on financial statements prepared and presented in accordance with a compliance framework, the auditor's opinion shall be that the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.
39 The term "unmodified" was added as identification of the jurisdiction or country of origin would be expected in those circumstances when the framework is described by reference to IFRS but includes modification of it.	33	When the reference to the applicable financial reporting framework in the auditor's opinion is not to unmodified International Financial Reporting Standards or International Public Sector Accounting Standards, the auditor's opinion shall identify the jurisdiction or country of origin of the framework.
		Other Matters
43	34	Law or regulation may require the auditor, or the auditor may consider it appropriate, to elaborate on matters that provide further explanation of the auditor's responsibilities in the audit of the financial statements or of the auditor's report thereon. Such matters shall be addressed under the heading "Other Matters," which follows the Opinion section.

Para. of ISA 700 (Amended) (unless otherwise indicated)	Para. of ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted)
		Other Reporting Responsibilities
46 New text provides context to requirement and aligns proposed ISA 700 (Redrafted) with proposed ISAs 705 / 706 (Revised and Redrafted), which mandate the use of headings in the auditor's report.	35	When the auditor addresses other reporting responsibilities in the auditor's report on the financial statements that are in addition to the auditor's responsibility to express the opinion on the financial statements, these other reporting responsibilities shall be addressed in a separate section in the auditor's report following the Opinion section. This separate section shall be sub-titled "Report on Other Legal and Regulatory Requirements," or otherwise as appropriate to the content of the section.
New text aligns proposed ISA 700 (Redrafted) with proposed ISAs 705 / 706 (Revised and Redrafted), which mandate the use of headings in the auditor's report.	36	If the auditor's report contains a separate section on other reporting responsibilities, the headings and statements referred to in paragraphs 20-34 shall be under the sub-title "Report on the Financial Statements."
		Signature of the Auditor

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
48	37	The auditor's report shall be signed.
		Date of the Auditor's Report
50	38	The auditor's report shall be dated no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the auditor's opinion on the financial statements. Sufficient appropriate audit evidence shall include evidence that: (a) All the statements that comprise the financial statements have been prepared; and (b) That those with the recognized authority have asserted that they have taken responsibility for them.
		Auditor's Address
55	39	The auditor's report shall name the location in the country or jurisdiction where the auditor practices.
This section of ISA 700 (Amended) was restructured to clearly distinguish between circumstances in which reference is made to both ISAs and the national standards and those in which reference is limited to either ISAs or the national		*Auditor's Report for Audits Conducted in Accordance with Both International Standards on Auditing and Auditing Standards of a Specific Jurisdiction or Country*

Para. of ISA 700 (Amended) (unless otherwise indicated)	Para. of ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted)
standards.		
59, 61, 63	40	When the auditor has complied with both International Standards on Auditing and the auditing standards of a specific jurisdiction or country (for purposes of this ISA referred to as "the national auditing standards") in the conduct of the audit, the auditor's report shall refer to International Standards on Auditing in addition to the national auditing standards only if: (a) There is no conflict between the reporting requirements regarding the auditor's report in International Standards on Auditing and those in the national auditing standards that affects the auditor's opinion or the need to include an Emphasis of Matter paragraph in the particular circumstances; and (b) The auditor's report includes, at a minimum, each of the following elements when the auditor uses the layout or wording specified by the national auditing standards: (i) A title; (ii) An addressee, as required by the circumstances of the engagement; (iii) An introductory paragraph that identifies the financial statements audited; (iv) A description of management's responsibility for preparing and presenting the financial statements; (v) A description of the auditor's responsibility to express an opinion on the financial statements and the scope of the audit, that includes: • A reference to International Standards on Auditing and the national auditing standards; and • A description of the work an auditor performs in an audit; (vi) An opinion paragraph containing an expression of opinion on the financial statements and a reference to the applicable financial reporting framework used to prepare the financial statements (including identifying the country of origin of the financial reporting framework that is not International Financial Reporting Standards or International Public Sector Accounting Standards); (vii) The auditor's signature; (viii) The date of the auditor's report; and

Para. of ISA 700 (Amended) (unless otherwise indicated)	Para. of ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted)
		(ix) The auditor's address.
62	41	When the auditor's report refers to both International Standards on Auditing and the national auditing standards, the auditor's report shall identify the jurisdiction or country of origin of the national auditing standards.
		Auditor's Report Prescribed by Law or Regulation
New text clarifies circumstances when the auditor's report is prescribed by law or regulation.	42	When the audit is conducted in accordance with International Standards on Auditing and the auditor is required by law or regulation to use a specific layout or wording of the auditor's report, the auditor's report shall refer to International Standards on Auditing only if the conditions in paragraph 40 are met (with references to national standards in paragraph 40 being read as references to the relevant law or regulation, where appropriate), and the auditor's report shall thereby identify such law or regulation.
The text in paragraphs 21-22 of ISA 700 (Amended) was combined with the text in paragraphs 65-69 of ISA 700 (Amended).		**Supplementary Information Presented with the Financial Statements**
22, 66	43	Supplementary information that, because of its nature and how it is presented, cannot be clearly differentiated from the audited financial statements, is considered to be an integral part thereof and, accordingly, is covered by the auditor's opinion.
21, 65, 66, 68	44	The auditor shall evaluate whether supplementary information that is presented together with the audited financial statements (but that is not an integral part thereof) and that is not intended to be covered by the auditor's opinion is clearly differentiated from the audited financial statements. If such supplementary information is not clearly differentiated from the audited financial statements, the auditor shall ask management to change how the unaudited supplementary

Para. of ISA 700 (Amended) (unless otherwise indicated)	Para. of ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted)
		information is presented. If management refuses to do so, the auditor shall explain in the auditor's report that such information has not been audited.
		Application and Other Explanatory Material
		Qualitative Aspects of the Entity's Accounting Practices
Paragraph A22 of proposed ISA 450 (Revised and Redrafted)	A1	Management makes a number of judgments about the amounts and disclosures in the financial statements. In considering the qualitative aspects of the entity's accounting practices, the auditor may become aware of possible bias in management's judgments. The auditor may conclude that the cumulative effect of a lack of neutrality, together with the effect of uncorrected misstatements, cause the financial statements as a whole to be materially misstated. Indicators of a lack of neutrality that may affect the auditor's evaluation whether the financial statements as a whole are materially misstated include the following: • The selective correction of misstatements brought to management's attention during the audit (e.g., correcting misstatements with the effect of increasing reported earnings, but not correcting misstatements that have the effect of decreasing reported earnings). • Possible management bias in the making of accounting estimates.
Paragraph A23 of proposed ISA 450 (Revised and Redrafted)	A2	[Proposed] ISA 540 (Revised and Redrafted), "Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures" addresses possible management bias in making accounting estimates. Indicators of possible management bias do not constitute misstatements for purposes of drawing conclusions on the reasonableness of individual accounting estimates. They may, however, affect the auditor's evaluation of whether the financial statements as a whole are free from material misstatement.
This section incorporates the IAASB's proposal with regard to financial reporting frameworks described by		**Description of the Applicable Financial Reporting**

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
reference to IFRS. It also incorporates text from IAPS 1014.		
New text provides context to the new application material that follows.	A3	As explained in [proposed] ISA 200 (Revised and Redrafted), “Overall Objective of the Independent Auditor, and the Conduct of an Audit in accordance with International Standards on Auditing,” management is responsible for preparing and presenting the financial statements in accordance with the applicable financial reporting framework and for adequately describing that framework in the financial statements. That description is important because it advises users of the financial statements of the framework on which the financial statements are based.
Paragraph 2 of IAPS 1014 (appropriately amended)	A4	A description that the financial statements are prepared and presented in accordance with a particular applicable financial reporting framework is appropriate only if the financial statements comply with all the requirements of that framework effective at the date of the financial statements.
Paragraph 4 of IAPS 1014 (appropriately amended)	A5	A description of the applicable financial reporting framework that contains imprecise qualifying or limiting language (for example, “the financial statements are in substantial compliance with International Financial Reporting Standards”) is not an adequate description of that framework as it may mislead users of the financial statements.
		Reference to More than One Financial Reporting Framework
Paragraph 5 of IAPS 1014 (appropriately amended)	A6	In some cases, the financial statements may represent that they are prepared and presented in accordance with two financial reporting frameworks (for example, the national framework and International Financial Reporting Standards). This may be because management is required, or has chosen, to prepare the financial statements in accordance with both frameworks, in which case both are applicable financial reporting frameworks. Such description is appropriate only if the financial statements comply with each of the frameworks individually. To be regarded as being prepared in accordance with both frameworks, the financial statements need to comply with both frameworks simultaneously and without any need for reconciling statements. In practice, simultaneous compliance is unlikely unless the country has adopted the other framework (for example, International

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
		Financial Reporting Standards) as its own national financial reporting framework, or has eliminated all barriers to compliance with it.
Paragraph 5 of IAPS 1014 (appropriately amended)	A7	Financial statements that are prepared and presented in accordance with one financial reporting framework and that contain a note or supplementary statement reconciling the results to those that would be shown under another framework, are not prepared and presented in accordance with that other framework. This is because the financial statements do not include all the information in the manner required by that other framework.
Paragraph 8 of IAPS 1014 (appropriately amended)	A8	The financial statements may, however, be prepared in accordance with one applicable financial reporting framework and, in addition, describe in the notes to the financial statements the extent to which the financial statements comply with another framework (for example, financial statements prepared and presented in accordance with the national framework that also describe the extent to which they comply with International Financial Reporting Standards). Such description is supplementary financial information and, as discussed in paragraph 43, is considered an integral part of the financial statements and, accordingly, is covered by the auditor's opinion.
		Financial Reporting Framework Described by Reference to International Financial Reporting Standards
New text to address matter of financial reporting frameworks described by reference to IFRSs.	A9	An authorized or recognized standards setting organization, or relevant law or regulation, may describe the applicable financial reporting framework by reference to International Financial Reporting Standards, even though the framework is such that management cannot make an explicit and unreserved statement of compliance with International Financial Reporting Standards. (Examples of such descriptions include "International Financial Reporting Standards as adopted for use in [country X]" and "International Financial Reporting Standards as modified by banking regulators for the use of banks in [country X]."). In such circumstances, [proposed] International Accounting Standard (IAS) 1, "Presentation of Financial Statements" requires the entity to: (a) Describe each difference between the basis on which its financial statements are prepared and International Financial Reporting Standards that are applicable to its financial statements; and (b) Describe how the reported financial position and performance of the entity would have differed if it had complied with International Financial Reporting

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
		Standards. If the framework is described by reference to International Financial Reporting Standards, but the framework does not require the entity to disclose the information in (a) and (b) above and the financial statements do not in fact disclose such information, the description is likely to be misleading if the effect on financial statements of the difference between the framework and International Financial Reporting Standards may be significant.
New text to address matter of financial reporting frameworks described by reference to IFRSs.	A10	The financial reporting framework may be described without reference to International Financial Reporting Standards if such a description is not required by an authorized or recognized standards setting organization or relevant law or regulation.
New text to address matter of financial reporting frameworks described by reference to IFRSs.	A11	Where the applicable financial reporting framework is described by reference to an established financial reporting framework other than International Financial Reporting Standards, considerations similar to those in paragraphs A9-A10 would apply.
		Form of Opinion
New text – application material to new paragraph 14, clarifying the relationship with proposed ISA 705 (Revised and	A12	In accordance with [proposed] ISA 705 (Revised and Redrafted), the auditor expresses a modified opinion when: (a) The auditor concludes that, based on the audit evidence obtained, the financial statements are not free from material misstatement; or (b) The auditor is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements are free from material misstatement.

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
Redrafted).		
10	A13	There may be cases where the financial statements, although prepared and presented in accordance with the specific requirements of a fair presentation framework, do not achieve fair presentation. Where this is the case, management has a responsibility to provide disclosures beyond the specific requirements of the framework or, in extremely rare circumstances, to depart from a specific requirement in the framework to achieve fair presentation of the financial statements, as explained in [proposed] ISA 200 (Revised and Redrafted).
11	A14	It will be extremely rare for the auditor to consider financial statements that are prepared and presented in accordance with a compliance framework to be misleading if in accordance with ISA 210, “Terms of Audit Engagements,” the auditor determined that the framework is acceptable.
		Auditor’s Report
57	A15	A written report encompasses reports issued in hard copy format and those using an electronic medium.
58	A16	The Appendix contains illustrations of auditors’ reports on general purpose financial statements, incorporating the elements set forth in paragraphs 18-39.
		Auditor’s Report for Audits Conducted in Accordance with International Standards on Auditing
		Title
15	A17	A title indicating the report is the report of an independent auditor, for example, “Independent Auditor’s Report,” affirms that the auditor has met all of the relevant ethical requirements regarding independence and, therefore, distinguishes the independent auditor’s report from reports issued by others.
		Addressee
17	A18	Laws or regulations often specify to whom the auditor’s report is to be addressed in that particular jurisdiction. The auditor’s report is normally addressed to those for whom the report is prepared, often either to the shareholders or to those charged with governance of the entity whose financial statements are being

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
		audited.
		Introductory Paragraph
19, 67	A19	The introductory paragraph states, for example, that the auditor has audited the accompanying financial statements of the entity, which comprise [state the title of each financial statement comprising the complete set of financial statements required by the applicable financial reporting framework (or, where applicable, the title of the single financial statement), specifying the date or period covered by each financial statement] and referring to the summary of significant accounting policies and other explanatory notes. In addition, when the auditor is aware that the financial statements will be included in a document that contains other information, such as an annual report, the auditor may consider, if the form of presentation allows, identifying the page numbers on which the financial statements are presented. This helps users to identify the financial statements to which the auditor's report relates.
20	A20	In the case of a complete set of financial statements, the auditor's opinion covers the complete set of financial statements as defined by the applicable financial reporting framework. For example, in the case of financial statements prepared in accordance with many general purpose frameworks, this includes: a balance sheet, an income statement, a statement of changes in equity, a cash flow statement, and a summary of significant accounting policies and other explanatory notes. In some jurisdictions additional information might also be considered to be an integral part of the financial statements.
		Management's Responsibility for the Financial Statements
25 Text was amended to align it with proposed ISA 200 (Revised and Redrafted).	A21	[Proposed] ISA 200 (Revised and Redrafted) explains the premises, relating to management's responsibilities, on which an audit is conducted. Management is responsible for preparing and presenting the financial statements in accordance with the applicable financial reporting framework. For example, in the case of many general purpose frameworks, management is responsible for preparing financial statements that fairly present the financial position, financial performance and cash flows of the entity in accordance with those frameworks. To fulfil this responsibility, management designs and implements internal control to prevent or to detect and correct misstatements, whether due to fraud or error, in order to ensure the reliability of the entity's financial reporting. The preparation of the financial statements requires management to exercise judgment in making

Para. of ISA 700 (Amended) (unless otherwise indicated)	Para. of ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted)
		accounting estimates that are reasonable in the circumstances, as well as to select and apply appropriate accounting policies. These judgments are made in the context of the applicable financial reporting framework.
26	A22	There may be circumstances when it is appropriate for the auditor to add to the description of management's responsibilities in paragraph 22 to reflect additional responsibilities that are relevant to preparing and presenting the financial statements in the context of the particular jurisdiction or the nature of the entity.
27	A23	The term management has been used in this ISA to describe those responsible for preparing and presenting the financial statements. Other terms may be appropriate depending on the legal framework in the particular jurisdiction. For example, in some jurisdictions, the appropriate reference may be to those charged with governance (for example, the directors).
		Auditor's Responsibility
29	A24	The auditor's report states that the auditor's responsibility is to express an opinion on the financial statements based on the audit in order to contrast it to management's responsibility for preparing and presenting the financial statements.
31	A25	The reference to the standards used conveys to the users of the auditor's report that the audit has been conducted in accordance with established standards.
32 Text was amended to refer to requirement in proposed ISA 200 (Revised and Redrafted) rather than repeating it in proposed ISA 700 (Redrafted).	A26	In accordance with [proposed] ISA 200 (Revised and Redrafted), the auditor does not represent compliance with International Standards on Auditing unless the auditor has complied with all of the International Standards on Auditing relevant to the audit.

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
This section incorporates the IAASB's proposal with regard to financial reporting frameworks described by reference to IFRS. It also incorporates text from IAPS 1014.		Auditor's Opinion
		"Give a true and fair view" or "present fairly, in all material respects"
37 New text highlights the fact that proposed ISA 210 (Redrafted) deals with the matter referred to in this paragraph.	A27	Whether the phrase "give a true and fair view" or the phrase "present fairly, in all material respects," is used in any particular jurisdiction is determined by the law or regulation governing the audit of financial statements in that jurisdiction, or by generally accepted practice in that jurisdiction. Where law or regulation requires the use of different wording, the auditor's responsibility to evaluate the fair presentation of financial statements prepared and presented in accordance with a fair presentation framework is the same. ISA 210 deals with circumstances where law or regulation prescribes wording for the auditor's opinion that differs significantly from the wording described in this ISA.
		Description of information that the financial statements present
38, 41	A28	In the case of financial statements prepared and presented in accordance with a fair presentation framework, the auditor's opinion states that the financial statements give a true and fair view of or present fairly, in all material respects, the information that the financial statements are designed to present (which is determined by the financial reporting framework). For example, in the case of a complete set of financial statements, the auditor's opinion states that the financial statements give a true and fair view of or present fairly, in all material respects,

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
		the financial position of the entity as at the end of the period and the entity's financial performance and cash flows for the period then ended in accordance with [identify the applicable financial reporting framework, for example, International Financial Reporting Standards].
		Description of the applicable financial reporting framework and how it may affect the auditor's opinion
40	A29	The auditor's opinion identifies the financial reporting framework on which the financial statements are based to advise users of the auditor's report of the context in which the auditor's opinion is expressed. The applicable financial reporting framework is identified in such terms as: "… in accordance with International Financial Reporting Standards" or "… in accordance with accounting principles generally accepted in Country X …"
42	A30	When the applicable financial reporting framework encompasses financial reporting standards and legal or regulatory requirements, the framework is identified in such terms as "… in accordance with International Financial Reporting Standards and the requirements of Country X Corporations Act." ISA 210 deals with circumstances where there are conflicts between the financial reporting standards and the legislative or regulatory requirements.
Paragraph 7 of IAPS 1014 (appropriately amended)	A31	As indicated in paragraph A6, the financial statements may be prepared and presented in accordance with two financial reporting frameworks, which are therefore both applicable financial reporting frameworks. Accordingly, each framework is considered separately when forming the auditor's opinion on the financial statements, and the auditor's opinion in accordance with paragraphs 31 and 32 refers to both frameworks as follows: (a) If the financial statements comply with each of the frameworks individually, two opinions are expressed: that is that the financial statements are prepared and presented in accordance with one of the applicable financial reporting frameworks (for example, the national framework) and a separate opinion that the financial statements are prepared and presented in accordance with the other applicable financial reporting framework (for example, International Financial Reporting Standards). (b) If the financial statements comply with one of the frameworks but fail to comply with the other framework, an unmodified opinion can be given that

Para. of ISA 700 (Amended) (unless otherwise indicated)	Para. of ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted)
		the financial statements are prepared and presented in accordance with the one framework (for example, the national framework) but a modified opinion given with regard to the other framework (for example, International Financial Reporting Standards) in accordance with [proposed] ISA 705 (Revised and Redrafted).
Paragraphs 10-11 of IAPS 1014 (appropriately amended)	A32	As indicated in paragraph A8, the financial statements may represent compliance with the applicable financial reporting framework and, in addition, disclose the extent to which they comply with a framework other than the applicable financial reporting framework. (a) If the financial statements fail to comply with the applicable financial reporting framework because the disclosure as to the compliance with the other framework is misleading, a modified opinion would be expressed in accordance with [proposed] ISA 705 (Revised and Redrafted). (b) If the disclosure is not misleading, the auditor may nevertheless decide to add an Emphasis of Matter paragraph in accordance with [proposed] ISA 706 (Revised and Redrafted), drawing attention to the disclosure, if such disclosure is significant.
New text to address matter of financial reporting frameworks described by reference to IFRSs.	A33	As indicated in paragraph A9, an authorized or recognized standards setting organization, or law or regulation, may describe the applicable financial reporting framework by reference to International Financial Reporting Standards, even though the framework is such that management cannot make an explicit and unreserved statement that the applicable financial reporting framework complies with International Financial Reporting Standards. In such circumstances: (a) If the financial statements do not provide sufficient disclosure of the differences and the auditor concludes that they are misleading (see paragraph A9), the auditor's opinion would be modified in accordance with [proposed] ISA 705 (Revised and Redrafted) as appropriate in the circumstances. (b) If the financial statements do provide sufficient disclosure of the difference and are therefore not misleading (see paragraph A9), the auditor may nevertheless decide to add an Emphasis of Matter paragraph in accordance with [proposed] ISA 706 (Revised and Redrafted) if the auditor judges the differences between the applicable financial reporting framework and International Financial Reporting Standards to be of such importance to users' understanding of the financial statements as a whole that it would be appropriate to draw their attention to it.

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
		(c) In some cases, financial statements prepared and presented in accordance with an applicable financial reporting framework described by reference to International Financial Reporting Standards may also comply with all the requirements of International Financial Reporting Standards applicable in the circumstances. If the financial statements represent, and the auditor concludes, that the financial statements comply with both the applicable financial reporting framework and International Financial Reporting Standards individually, the auditor may express two opinions, that is that the financial statements are prepared and presented in accordance with the applicable financial reporting framework and a separate opinion that the financial statements are prepared and presented in accordance with International Financial Reporting Standards.
New text to address matter of financial reporting frameworks described by reference to IFRSs.	A34	Where the applicable financial reporting framework is described by reference to an established financial reporting framework other than International Financial Reporting Standards, considerations similar to those in paragraph A33 would apply.
		Other Matters
New text	A35	Where relevant, one or more sub-headings may be used that describe the content of the other matters paragraphs.
43	A36	[Proposed] ISA 706 (Revised and Redrafted) deals with other circumstances in which the inclusion of an Other Matter(s) paragraph in the auditor's report may be appropriate.
		Other Reporting Responsibilities
44	A37	In some jurisdictions, the auditor may have additional responsibilities to report on other matters that are supplementary to the auditor's responsibility to express an opinion on the financial statements. For example, the auditor may be asked to report certain matters if they come to the auditor's attention during the course of the audit of the financial statements. Alternatively, the auditor may be asked to perform and report on additional specified procedures, or to express an opinion on

Para. of ISA 700 (Amended) (unless otherwise indicated)	Para. of ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted)
		specific matters, such as the adequacy of accounting books and records. Auditing standards in the specific jurisdiction or country often provide guidance on the auditor's responsibilities with respect to specific additional reporting responsibilities in that jurisdiction or country.
45	A38	In some cases, the relevant law or regulation may require or permit the auditor to report on these other responsibilities within the auditor's report on the financial statements. In other cases, the auditor may be required or permitted to report on them in a separate report.
47	A39	These other reporting responsibilities are addressed in a separate section of the auditor's report in order to clearly distinguish them from the auditor's responsibilities for and opinion on the financial statements. Where relevant, this section may contain sub-heading(s) that describe(s) the content of the other reporting responsibility paragraph(s).
		Signature of the Auditor
49	A40	The auditor's signature is either in the name of the audit firm, the personal name of the auditor or both, as appropriate for the particular jurisdiction. In addition to the auditor's signature, in certain jurisdictions, the auditor may be required to declare in the auditor's report the auditor's professional accountancy designation or the fact that the auditor or firm, as appropriate, has been recognized by the appropriate licensing authority in that jurisdiction.
		Date of the Auditor's Report
51	A41	The date of the auditor's report informs the user of the auditor's report that the auditor has considered the effect of events and transactions of which the auditor became aware and that occurred up to that date. The auditor's responsibility for events and transactions after the date of the auditor's report is addressed in [proposed] ISA 560 (Redrafted), "Subsequent Events."
52	A42	Since the auditor's opinion is provided on the financial statements and the financial statements are the responsibility of management, the auditor is not in a position to conclude that sufficient appropriate audit evidence has been obtained until evidence is obtained that all the statements that comprise the financial statements have been prepared and management has accepted responsibility for them.

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
53	A43	In some jurisdictions, the law or regulation identifies the individuals or bodies (for example, the directors) that are responsible for concluding that all the statements that comprise the financial statements have been prepared, and specifies the necessary approval process. In such cases, evidence is obtained of that approval before dating the report on the financial statements. In other jurisdictions, however, the approval process is not prescribed in law or regulation. In such cases, the procedures the entity follows in preparing and finalizing its financial statements in view of its management and governance structures is considered in order to identify the individuals or body with the authority to conclude that all the statements that comprise the financial statements, including the related notes, have been prepared.
54	A44	In some jurisdictions, final approval of the financial statements by shareholders is required before the financial statements are issued publicly. In these jurisdictions, final approval by shareholders is not necessary for the auditor to conclude that sufficient appropriate audit evidence has been obtained. The date of approval of the financial statements for purposes of International Standards on Auditing is the earlier date on which those with the recognized authority determine that all the statements that comprise the financial statements have been prepared.
		Auditor's Report for Audits Conducted in Accordance with Both International Standards on Auditing and Auditing Standards of a Specific Jurisdiction or Country or Auditor's Report Prescribed by Law or Regulation
64 Amended to more clearly reflect the original intent of the text.	A45	[Proposed] ISA 200 (Revised and Redrafted) explains that the auditor may be required to comply with other professional, legal or regulatory requirements in addition to International Standards on Auditing. Where this is the case, the auditor may be obliged to use a layout or wording in the auditor's report that differs from that described in this ISA. As explained in paragraph 3, consistency in the auditor's report, when the audit has been conducted in accordance with International Standards on Auditing, promotes credibility in the global marketplace by making more readily identifiable those audits that have been conducted in accordance with globally recognized standards. When the differences relate only to the layout and wording of the auditor's report, the auditor's report may refer to International Standards on Auditing only if the auditor's report includes, at a minimum, each of the elements identified in paragraph 40(b). Accordingly, in such circumstances the auditor is considered to have complied with the reporting requirements of International Standards on Auditing, even when the layout and wording used in the auditor's report are

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
		specified by the national auditing standards or legal or regulatory reporting requirements. Where specific requirements in a particular jurisdiction do not conflict with International Standards on Auditing, adoption of the layout and wording used in this ISA assists users of the auditor's report more readily to recognize the auditor's report as a report on an audit conducted in accordance with International Standards on Auditing.
61	A46	The auditor may refer to the audit having been conducted in accordance with both International Standards on Auditing as well as the national auditing standards when the auditor complies with each of the International Standards on Auditing relevant to the audit and performs any additional audit procedures necessary to comply with the relevant national auditing standards.
61 Amended to more clearly reflect the original intent of the text.	A47	A reference to both International Standards on Auditing and the national auditing standards or legal or regulatory reporting requirements is not appropriate if there is a conflict between the reporting requirements regarding the auditor's report in International Standards on Auditing and those in the national auditing standards or legal or regulatory reporting requirements that affects the auditor's opinion or the need to include an Emphasis of Matter paragraph in the particular circumstances. For example, some national auditing standards prohibit the auditor from including an Emphasis of Matter paragraph to highlight a going concern problem, whereas [proposed] ISA 570 (Redrafted), "Going Concern" requires the auditor to add an Emphasis of Matter paragraph in such circumstances. In such a case, the auditor's report refers only to the auditing standards (either International Standards on Auditing or the national auditing standards) in accordance with which the auditor has complied with the reporting requirements.
The text in paragraphs 21-22 of ISA 700 (Amended) was combined with the text in paragraphs 65-69 of ISA 700 (Amended).		**Supplementary Information Presented with the Financial Statements**
21	A48	In some circumstances, the entity may be required by law, regulation or standards, or may voluntarily choose, to present together with the financial statements

Para. of ISA 700 (Amended) (unless otherwise indicated)	**Para. of ISA 700 (Redrafted)**	**Proposed ISA 700 (Redrafted)**
		supplementary information that is not required by the applicable financial reporting framework. For example, supplementary information might be presented to enhance a user's understanding of the applicable financial reporting framework or to provide further explanation of specific financial statement items. Such information is normally presented in either supplementary schedules or as additional notes.
22	A49	The auditor's opinion is considered to cover supplementary information that cannot be clearly differentiated from the financial statements because of its nature and how it is presented. For example, the auditor's opinion covers notes or supplementary schedules that are cross-referenced from the financial statements. This would also be the case when the notes to the financial statements include an explanation of the extent to which the financial statements comply with another financial reporting framework.
23	A50	Supplementary information that is covered by the auditor's opinion does not need to be specifically referred to in the introductory paragraph of the auditor's report when the reference to the notes in the description of the statements that comprise the financial statements in the introductory paragraph is sufficient.
66	A51	Law or regulation may not require the supplementary information to be audited and management may not ask the auditor to include the supplementary information within the scope of the audit of the financial statements.
66	A52	The auditor's evaluation whether unaudited supplementary information is presented in a manner that could be construed as being covered by the auditor's opinion includes, for example, where that information is presented in relation to the financial statements and any audited supplementary information, and whether it is clearly labelled as "unaudited."
66	A53	Management could change the presentation of unaudited supplementary information that could be construed as being covered by the auditor's opinion, for example, by: • Removing any cross references from the financial statements to unaudited supplementary schedules or unaudited notes because the demarcation between the audited and unaudited information would not be sufficiently clear. • Placing the unaudited supplementary information outside of the financial

Para. of ISA 700 (Amended) (unless otherwise indicated)	Para. of ISA 700 (Redrafted)	Proposed ISA 700 (Redrafted)
		statements or, if that is not possible in the circumstances, at a minimum place the unaudited notes together at the end of the required notes to the financial statements and clearly label them as unaudited. Unaudited notes that are intermingled with the audited notes can be misinterpreted as being audited.
69	A54	The fact that supplementary information is unaudited does not relieve the auditor of the responsibility to read that information to identify material inconsistencies with the audited financial statements. The auditor's responsibilities with respect to unaudited supplementary information are consistent with those described in [proposed] ISA 720 (Redrafted), "The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements."

The Appendix is not reproduced as part of this supplement.

Exhibit 4

Mapping Document

Para. of IAPS 1014	Introduction	Comment
1	ISA 200, "Objective and General Principles Governing an Audit of Financial Statements" states that the objective of an audit of financial statements is to enable the auditor to express an opinion whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework. ISA 700, "The Auditor's Report on Financial Statements" establishes standards and provides guidance on the form and content of the auditor's report. In particular, paragraph 17 of ISA 700 requires that the auditor's report clearly indicate the financial reporting framework used to prepare the financial statements. The purpose of this International Auditing Practice Statement (IAPS) is to provide additional guidance when the auditor expresses an opinion on financial statements that are asserted by management to be prepared: (a) Solely in accordance with International Financial Reporting Standards (IFRSs); (b) In accordance with IFRSs and a national financial reporting framework; or (c) In accordance with a national financial reporting framework with disclosure of the extent of compliance with IFRSs.	Paragraph deleted. With the integration into ISA 700 (Redrafted), this introductory wording is unnecessary. Comparable guidance to 1014 has been incorporated in proposed ISA 700 (Redrafted). See paragraphs A3-A11 and A29-A34.
	The guidance provided in this IAPS may be applied, adapted as necessary, to reporting on whether financial statements have been prepared in accordance with financial reporting frameworks other than IFRSs (for example, financial statements that are asserted by management to be prepared in accordance with two different national financial reporting frameworks). This IAPS does not establish any new requirements for the audit of financial statements, nor does it establish any exemptions from the requirements of ISA 700.	Paragraphs A11 and A34 of proposed ISA 700 (Redrafted) make the point that, where the applicable financial reporting framework is described by reference to an established financial reporting framework other than IFRSs, similar considerations apply.
	Financial Statements Prepared Solely in Accordance with International Financial Reporting Standards	
2	Examples have arisen of entities stating that their financial statements have been prepared in accordance with IFRSs when, in fact, they have not complied with all the requirements that IFRSs impose. International	Paragraph deleted. Principles addressed in paragraphs A3-A5 of proposed ISA 700

Para. of IAPS 1014	Introduction	Comment
	Accounting Standard (IAS) 1, "Presentation of Financial Statements" sets out the requirements to be met before an entity's financial statements can be regarded as having been prepared in accordance with IFRSs. In particular, it makes clear that financial statements should not be described as complying with IFRSs unless they comply with all the requirements of IFRSs. Examples such as the following descriptions of the basis on which the financial statements have been prepared illustrate financial statements that have not been prepared in accordance with IFRSs: • The financial statements indicate that they have been prepared in accordance with IFRSs but then go on to specify certain material departures. For example, a note describing the accounting polices used states that the financial statements are prepared in accordance with IFRSs except for the non-disclosure of sales for geographical segments. • The financial statements identify specific IFRS requirements that the entity uses to prepare the financial statements, but these do not include all the requirements that are applicable to an entity fully complying with IFRSs. • The financial statements indicate partial compliance with IFRSs without reference to specific departures. For example, a note describing the accounting policies used states that the financial statements are "based on," or "comply with the significant requirements of" or "are in compliance with the accounting requirements of" IFRSs.	(Redrafted).
3	An unqualified opinion may be expressed only when the auditor is able to conclude that the financial statements give a true and fair view (or are presented fairly, in all material respects) in accordance with the applicable financial reporting framework. In all other circumstances, the auditor is required to disclaim an opinion or to issue a qualified or adverse opinion depending on the nature of the circumstances. Accordingly, the auditor does not express an unqualified opinion that indicates that financial statements have been prepared in accordance with IFRSs if the financial statements contain any departure from IFRSs and the departure has a material effect on the financial statements. When the auditor reports on whether the financial statements have been prepared in accordance with IFRSs and the financial statements contain a material departure from IFRSs, such a departure results in a disagreement with management regarding the acceptability of the accounting policies	Paragraph deleted. Principles addressed in requirements (and related application material) in the Forming an Opinion (paragraphs 8-12) and Form of Opinion (paragraphs 13-16) sections of proposed ISA 700 (Redrafted).

Para. of IAPS 1014	Introduction	Comment
	selected, the method of their application, or the adequacy of disclosures in the financial statements. Paragraphs 36-40 of ISA 700 provide guidance for deciding whether a qualified opinion or an adverse opinion is necessary and on the information to be included in the auditor's report.	
4	If the auditor's report contains any qualifying or limiting language when describing the financial reporting framework, it does not meet the requirement in paragraph 17 of ISA 700 that the auditor's report clearly indicate the financial reporting framework used to prepare the financial statements. For example, an opinion paragraph that indicates "the financial statements give a true and fair view and are in substantial compliance with International Financial Reporting Standards" does not meet the requirements of ISA 700.	Paragraph deleted. Proposed ISA 700 (Redrafted) does not include the example in IAPS 1014.4, however, it clearly explains how the financial reporting framework should be described in the auditor's report (see paragraphs 12, A3-A11 and 31-33, A29-A34).
	Financial Statements Prepared in Accordance with International Financial Reporting Standards and a National Financial Reporting Framework	
5	A6. ~~A note describing the accounting polices used may state that~~ In ~~c~~some cases, the financial statements may represent that they ~~have been~~ are prepared and presented in accordance with two financial reporting frameworks (~~both IFRSs and a~~ for example, the national ~~financial reporting~~ framework and International Financial Reporting Standards). This may be because management is required, or has chosen, to prepare the financial statements in accordance with both frameworks, in which case both are applicable financial reporting frameworks. ~~For financial statements to have been prepared in accordance with more than one financial reporting framework, they must~~ Such description is appropriate only if the financial statements comply with each of the ~~indicated~~ frameworks individually. ~~A set of financial statements that has been prepared in accordance with one financial reporting framework and that contains a note or supplementary statement reconciling the results to those that would be shown under another financial reporting framework has not been prepared in accordance with that other framework. This is because the financial statements do not include all the information in the manner required by that other framework.~~ To be regarded as being prepared in accordance with both frameworks, ~~T~~the financial statements ~~must~~ need to comply with both ~~financial reporting~~ frameworks simultaneously and without any need for reconciling statements ~~if they are to be regarded as having been prepared in accordance with both~~. In	Text was revised (as indicated in mark-up) and included as paragraphs A6 and A7 of proposed ISA 700 (Redrafted).

Para. of IAPS 1014	Introduction	Comment
	practice, simultaneous compliance ~~with both IFRSs and a national financial reporting framework~~ is unlikely unless the country has adopted the other framework (for example, ~~IFRSs~~ International Financial Reporting Standards) as its own national financial reporting framework, or has eliminated all barriers ~~for~~ to compliance with ~~IFRSs~~ it. A7. Financial statements that are prepared and presented in accordance with one financial reporting framework and that contain a note or supplementary statement reconciling the results to those that would be shown under another framework, are not prepared and presented in accordance with that other framework. This is because the financial statements do not include all the information in the manner required by that other framework.	
6	It is helpful for the auditor to discuss financial statements that state they have been prepared in accordance with IFRSs and a national financial reporting framework with management and those charged with governance. The purpose of the discussion is to advise management and those charged with governance of the possibility of a qualified opinion or adverse opinion on compliance with one or both of the financial reporting frameworks, given that the ability to simultaneously comply fully with IFRSs and a national financial reporting framework is unlikely. In these situations, the auditor encourages management to prepare the financial statements in accordance with only one financial reporting framework, taking into consideration any requirements of relevant laws and regulations. The auditor's report is then worded in terms of whether the financial statements have been prepared in accordance with that financial reporting framework	Paragraph deleted. Paragraph is less relevant in the current environment where many countries are adopting International Financial Reporting Standards as their own national financial reporting framework or are eliminating barriers to compliance with it.
7	A32. As indicated in paragraph A6, the financial statements may be prepared and presented in accordance with two financial reporting frameworks, which are therefore both applicable financial reporting frameworks.~~If management insists on indicating that the financial statements have been prepared in accordance with both IFRSs and a national financial reporting framework, the auditor's report~~ Accordingly, each framework is considered separately when forming the auditor's opinion on the financial statements, and the auditor's opinion in accordance with paragraphs 31 and 32 refers to both frameworks as follows~~.~~: (a) ~~However, the auditor considers each financial reporting framework separately.~~ If the financial statements comply with each of the frameworks individually, two opinions are expressed: that is that	Text was revised (as indicated in mark-up) and included as paragraph A31 of proposed ISA 700 (Redrafted).

Para. of IAPS 1014	Introduction	Comment
	the financial statements are prepared and presented in accordance with one of the applicable financial reporting frameworks (for example, the national framework) and a separate opinion that the financial statements are prepared and presented in accordance with the other applicable financial reporting framework (for example, International Financial Reporting Standards).	
	(b) If ~~a matter results in failure to~~ the financial statements comply with one of the frameworks~~,~~ but ~~does not cause a failure~~ fail to comply with the other framework, ~~then the auditor expresses~~ an ~~unqualified~~ unmodified opinion ~~on compliance with that~~ can be given that the financial statements are prepared and presented in accordance with the one framework (for example, the national framework) ~~and~~ but a ~~qualified~~ modified opinion ~~or an adverse opinion on compliance with the one~~ given with regard to the other framework (for example, International Financial Reporting Standards) in accordance with [proposed] ISA 705 (Revised and Redrafted).	
	~~(c) If the auditor is of the opinion that the failure to comply with one of the financial reporting frameworks causes the financial statements to fail to comply with the other financial reporting framework, the auditor issues a qualified opinion or adverse opinion on compliance with both frameworks. An illustration of an auditor's report where the auditor is of the opinion that the financial statements comply, in all material respects, with the national financial reporting framework, but judges a qualified opinion is appropriate for compliance with IFRSs follows:~~ ~~"Note X to the financial statements indicates that the financial statements have been prepared in accordance with [relevant national financial reporting framework] and International Financial Reporting Standards. As discussed in Note Y to the financial statements, the Company has investment properties in the amount of $X that are carried at cost less accumulated depreciation. This accounting is required by [relevant national financial reporting framework] and permitted by International Financial Reporting Standards. The fair value of these investment properties of $X has not been disclosed. Such disclosure is not required by [relevant national financial reporting framework], but is required by International Financial Reporting Standards.~~ ~~In our opinion, the financial statements give a true and fair view of (or 'present fairly, in all material respects') the financial position of the Company as of December 31, 20X1, and of its financial~~	

Para. of IAPS 1014	Introduction	Comment
	~~performance and its cash flows for the year then ended in accordance with [title of national financial reporting framework with reference to the country of origin] (and comply with [refer to relevant statutes or law]), and, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements give a true and fair view of (or 'present fairly, in all material respects') the financial position of the Company as of December 31, 20X1, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.~~	
	Financial Statements Prepared in Accordance with a National Financial Reporting Framework with Disclosure of the Extent of Compliance with International Financial Reporting Standards	
8	Entities that prepare their financial statements in accordance with a national financial reporting framework may disclose additionally, in the notes to those financial statements, the extent to which they comply with IFRSs. Management may, for example, consider such additional disclosures to be desirable when the entity is required to comply with IFRSs at a future date and management wishes to provide readers of the financial statements with an indication of progress towards that compliance. In these circumstances, the auditor considers whether assertions made in the notes to the financial statements with respect to the extent of such compliance are accurate and not misleading. The auditor then considers the effect of that disclosure on the auditor's report	Paragraph deleted. However, underlying principles reflected; see paragraph A8 of proposed ISA 700 (Redrafted), which reads as follows: "The financial statements may, however, be prepared in accordance with one applicable financial reporting framework and, in addition, describe in the notes to the financial statements the extent to which the financial statements comply with another framework (for example, financial statements prepared and presented in accordance with the national framework that also describe the extent to which they comply with International Financial Reporting Standards). Such description is supplementary financial information and, as discussed

Para. of IAPS 1014	Introduction	Comment
		in paragraph 43, is considered an integral part of the financial statements and, accordingly, is covered by the auditor's opinion."
9	A note to the financial statements containing disclosure about compliance with IFRSs is treated no differently from any other note to the financial statements. All such notes contain management assertions and the auditor obtains sufficient appropriate audit evidence to support the assertions. If the note contains a reference to compliance with IFRSs, the auditor considers whether the note is appropriate. In some cases, the auditor may conclude that the note contains misleading information such that the financial statements fail to comply with the national financial reporting framework. This is likely to be the case in circumstances where the reference to compliance with IFRSs misleads readers of the financial statements because it contains materially inaccurate information or incomplete information that is material and pervasive to the financial statements (for example, the lack of compliance with a particular IFRS that is material and pervasive to the financial statements may result in the disclosure being misleading, unless there is adequate disclosure, including quantification of the effects on the financial statements.	Paragraph deleted, however, underlying principles retained. See comments to paragraphs 8 and 10-11 below. See also the requirements and guidance on supplementary information broadly in paragraphs 43 and A48-A49 of proposed ISA 700 (Redrafted).
10	A33. As indicated in paragraph A8, the financial statements may represent compliance with the applicable financial reporting framework and, in addition, disclose the extent to which they comply with a framework other than the applicable financial reporting framework. (a) If the financial statements fail to comply with the ~~national~~ applicable financial reporting framework because the disclosure~~s~~ as to the compliance with ~~IFRSs are~~ the other framework is misleading, ~~the auditor's report expresses a qualified or an adverse~~ a modified opinion would be expressed in accordance with [proposed] ISA 705 (Revised and Redrafted). ~~An illustration of a qualified opinion that may be given in such circumstances follows:~~ ~~In our opinion, except for the inclusion of the reference to compliance with IFRSs, the financial statements give a true and fair view of (or 'present fairly, in all material respects') the financial position of the Company as of December 31, 20X1, and of it financial performance and its cash flows for the year then ended in accordance with [title of national financial reporting framework with reference to the country of origin] (and comply with [refer to~~	Text was revised (as indicated in mark-up) and included as paragraph A32 of proposed ISA 700 (Redrafted).

Para. of IAPS 1014	Introduction	Comment
	~~relevant statutes or law]).”~~	
11	(b) ~~A note to the financial statements containing disclosure about compliance with IFRSs may~~ If the disclosure is not ~~contain~~ misleading ~~information such that the financial statements fail to comply with the national financial reporting framework. If the auditor is of the opinion that a reference to compliance with IFRSs is not misleading, the auditor may express an unqualified opinion on compliance with the national financial reporting framework. In certain circumstances~~, the auditor may nevertheless decide to ~~modify the auditor's report by~~ add~~ing~~ an ~~e~~Emphasis of ~~m~~Matter paragraph in accordance with [proposed] ISA 706 (Revised and Redrafted), ~~to highlight the note that references compliance with IFRSs~~ drawing attention to the disclosure, if such disclosure is significant. ~~The use of an emphasis of matter paragraph is not a substitute for issuing a qualified opinion or adverse opinion on compliance with the national financial reporting framework when disclosures as to compliance with IFRSs are misleading such that the financial statements fail to comply with the national financial reporting framework.~~	Text was revised (as indicated in mark-up) and included as paragraph A32 of proposed ISA 700 (Redrafted).
		NEW In addition, new guidance has been introduced in paragraphs A9-A10 and A33 of proposed ISA 700 (Redrafted) regarding circumstances when a framework is described by reference to IFRSs even though the framework is such that management cannot make an explicit and unreserved statement that the applicable financial reporting framework complies with IFRSs. These circumstances are a new development since IAPS 1014 was released.