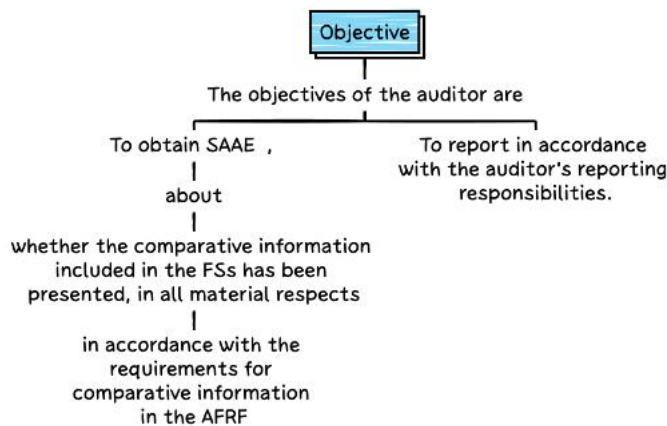


## SA 710 Comparative Information – Corresponding Figures And Comparative FSs

### Scope

Deals with the auditor's responsibilities regarding comparative information in an audit of FSs.



### Definitions

#### Comparative Information

- The **amounts** and **disclosures**
  - included in the FSs
- in respect of **one** or **more prior periods**
  - in accordance with the AFRF

#### Corresponding figures

Comparative information where amounts and other disclosures

- for the **prior period** are included as an **integral** part of the **current** period FSs, and
- are **intended** to be **read only** in relation to the amounts and other disclosures relating to the current period .

#### Comparative FSs

Comparative information where **amounts** and **other disclosures**

- for the **prior period** are included for **comparison** with the FSs of the current period
- but, if audited, are referred to in the auditor's opinion.

The nature of the comparative information that is presented in an entity's financial statements depends on the requirements of the applicable financial reporting framework

#### Difference between Corresponding Figures and Comparative FS from reporting point of view.

- When corresponding figures are presented, the auditor's opinion shall **not** refer to the corresponding figures other than in exceptional cases.
- When comparative FSs are presented, the auditor's opinion shall refer to **each period** for which FSs are presented and on which an audit opinion is expressed.

### Audit Procedures

#### Comparative Information Included and Appropriately Classified.

The auditor shall determine

- whether the FSs **include** the **comparative information** required by the AFRF and
- whether such information is appropriately **classified** For this purpose, the auditor shall evaluate whether
  - The comparative information **agrees** with the **amounts** and **other disclosures presented** in the **prior period**, and
  - The accounting **policies** reflected in the comparative information are consistent with those applied in the current period or,
    - if there have been **changes** in accounting policies,
      - whether those changes have been
        - properly **accounted** for and adequately **presented** and **disclosed**.

*(Summary – CI Included and Apt Classified – Evaluate – CI agree with Amount & Disclosure of Prior Period and AP of PP consistent with CP, if not, changes properly A\_\_\_\_\_, P\_\_\_\_\_, D\_\_\_\_\_.)*

#### Possible material misstatement in the comparative information.

If the auditor becomes aware of a possible material misstatement in the comparative information while performing the current period audit,

- the auditor shall perform such **additional audit procedures** as are necessary in the circumstances to obtain SAAE to determine whether a material misstatement exists.
- If the auditor had audited the prior period's FSs, the auditor shall also follow the relevant requirements of **SA 560**

*(Summary – Become aware of Poss MMS in CI, AAP SAAE, MMS Exist? / Also follow requirement of SA 560 SE)*

#### Written Representation

In the case of **comparative FSs**,

- The written representations are requested for **all periods** referred to in the auditor's opinion because management needs to re-affirm that the written representations it previously made with respect to the prior period remain appropriate.

In the case of **corresponding figures**,

- The written representations are requested for the FSs of the **current period only** because the auditor's opinion is on those FSs, which include the corresponding figures.

*In short – Auditor shall request WR for all periods referred to in the auditor's opinion.*

The auditor **may** request a **specific written representation** regarding **any prior period item** that is separately disclosed in the current year's FS.

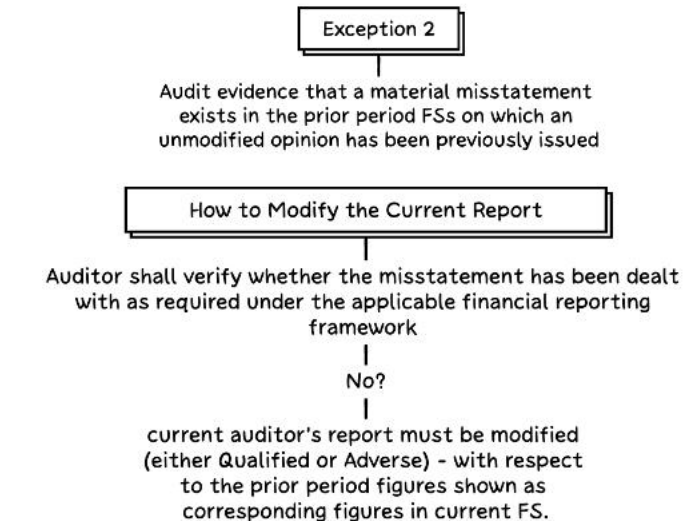
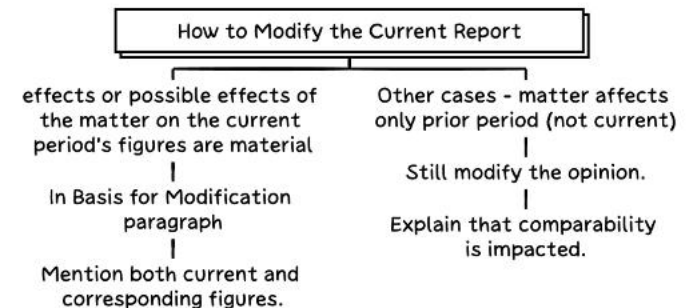
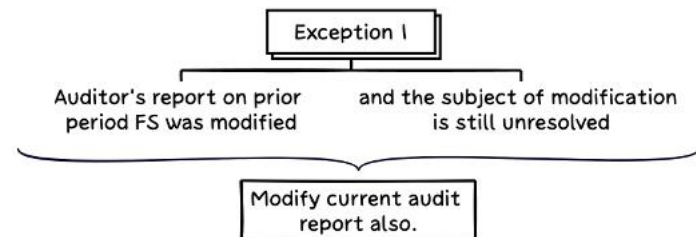
(CFS- All Period ref in opinion, to reaffirm, WR appropriate, CF - CP only, may request for any PPI disclosed)

**Audit Reporting**

**Corresponding Figures**

**Reference to corresponding figures**

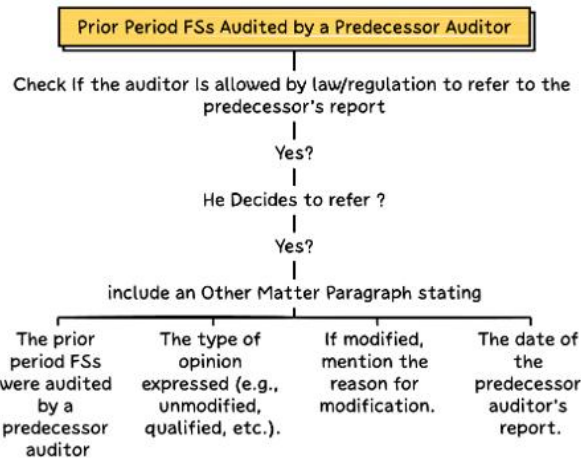
Audit **opinion not** to **refer** to **corresponding figures, EXCEPT**



**Prior Period FSs Not Audited (Exception 3)**

If the prior period FSs were not audited,

- the auditor shall state in an **Other Matter paragraph** in the auditor's report that the corresponding figures are unaudited.
- Such a statement **does not**, however, **relieve** the auditor of the requirement to **obtain SAAE that the opening balances do not contain misstatements** that materially affect the current period's FSs.



**Comparative FSs**

**Reference to each period**

When comparative FSs are presented,

- the auditor's opinion shall
- refer to **each period** for which FSs are presented and on which an audit opinion is expressed.

ABC Ltd presents FSs for FY 2024 and FY 2023. You audited both periods. Your audit report must include a separate opinion for FY 2024 and FY 2023, clearly mentioning each.

**Opinion on Prior Period FS differs from previous opinion.**

If the auditor's opinion on such prior period FSs differs from the opinion the auditor previously expressed, the auditor shall disclose the substantive reasons for the different opinion in an **Other Matter paragraph** in accordance with SA 706.

You audited FY 2023 and gave an unmodified opinion last year. This year, during the FY 2024 audit, you found a material error in FY 2023. You now give a qualified opinion on FY 2023 in the current audit report and add an Other Matter paragraph explaining the change and its reason.

**Prior Period FSs Audited by a Predecessor Auditor**

Auditor must add an Other Matter paragraph stating:

- FSs of the prior period were audited by a predecessor auditor.
- Type of opinion expressed earlier and, if modified, reasons for modification. and
- Date of predecessor auditor's report.

If the auditor now finds a material misstatement in prior FSs (earlier reported as unmodified) the auditor shall **communicate** the misstatement with the **appropriate level of management** and **TCWG** and request that the predecessor auditor be informed.

If the prior period FSs are **amended** and the predecessor auditor agrees to issue a **new** auditor's **report** on the amended FSs of the prior period, the auditor shall report only on the current period.

**Prior Period FSs Not Audited**

Add an Other Matter paragraph stating that the comparative FSs are unaudited. Such a statement **does not**, however, **relieve** the auditor of the requirement to **obtain SAAE that the opening balances do not contain misstatements** that materially affect the current period's FSs.