

# SA 720 → The Auditor Responsibility Relating to Other Information

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## SA 720 → The Auditor Responsibility Relating to Other Information

### (1) Objective.

- 1 → To consider whether there is a Mat. Inconsistency between
  - other information
  - Financial Statement
  - Auditor Knowledge.
- 2 → To Respond if Mat. Incon. Exists. <sup>2</sup>
- 3 → To Report Accordance with SA's. <sup>3</sup>

### (2) obtain the other information

- Through Discussion with Management.
- Obtain prior to Audit Report, if possible
  - ↳ obtain MRL if Not possible before the Date of Audit Report. <sup>2</sup> Mgt. Will provide later on.

### (3) Auditor Responsibility.

- ↳ Read the other information and Link to objective as discussed.

- (4)<sup>2</sup> Respond →
- Discuss with Management regarding
  - If necessary, Perform other Audit Procedure.
  - Update Auditor's understanding of the Entity and Environment. [SA 315]

↳ other information Mat. Mis-stated  
↳ F.S is materially Mis-stated

### (4.1) Auditor Concludes that a material Mis-statement of the other information Exists → Auditor should Request Mgt. to

- correct the other information
- Mgt. Agree to make the correction → Auditor will check (O.K)
- Mgt. Refuse to make the correction → Talk to TCWG AND. <sup>2</sup> Req. for correction

other information obtained Prior to Date of Audit Report and TCWG Not Corrected.  
Auditor shall take Action

- ↳ Implication in Audit Report
- ↳ Communicate TCWG about Wording in Audit Report
- ↳ Withdraw From Engagement if Possible.

Mat. Mis-statement Exists and information Obtained After the Date of Audit Report  
Auditor shall

- ↳ other information corrected  
Perform Audit Procedure Necessary in this circumstances.
- ↳ other information Not corrected.  
↳ Take Legal Action and Appropriately brought this Attention to user of F.S.