

AG ISA (NZ) 810

The Auditor-General's Statement on
Engagements to Report on Summary
Financial and Performance Information



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Introduction

At a glance

This standard differs from the [underlying standard ISA \(NZ\) 810 \(XRB website\)](#) in that:

- you need to use the OAG audit report template; and
- you need to consult with the OAG when the public entity's summary financial statements and performance information:
 - have not been derived from the full financial statements and performance information; and/or
 - are not consistent with the full financial statements and performance information in accordance with FRS-43 or PBE FRS-43, as appropriate.

Scope of this Statement

1. This Auditor-General's Auditing Statement:
 - (a) establishes the Auditor-General's requirements in relation to [ISA \(NZ\) 810 \(Revised\): Engagements to Report on Summary Financial Statements](#) (ISA (NZ) 810);¹ and
 - (b) provides guidance to reflect the public sector perspective.

Application

2. Compliance with this Statement is mandatory for Appointed Auditors who carry out annual audits on behalf of the Auditor-General. This Statement requires compliance with ISA (NZ) 810 and the additional requirements included in this Statement.
3. Requirements that depart from ISA (NZ) 810 are not applicable to Appointed Auditors who carry out annual audits of FMC reporting entities on behalf of the Auditor-General.
4. This Statement applies to audits of financial statements and/or performance information commencing on or after 1 April 2023.

Objectives

5. The objectives of the Appointed Auditor in terms of this Statement are to:

¹ The ISA (NZ) Auditing Standards are scoped so that they apply to audits of "historical financial information. However, for the purposes of the Auditor-General's Auditing Standards and Statements, all references to "historical financial information" should be read as the audit of "historical financial and historical performance information".

- (a) form an opinion on the summary financial statements and performance information based on an evaluation of the conclusions drawn from the evidence obtained; and
- (b) clearly express that opinion in a written report in accordance with ISA (NZ) 810 and the additional requirements of this Statement.

Definitions

6. For the purpose of this Auditor-General's Auditing Statement, the defined terms listed below have the following meanings:

Appointed Auditor

means the person or persons appointed by the Auditor-General to carry out the annual audit on behalf of the Auditor-General, and who are supported by other members of the audit team. Where an Auditor-General's Statement or Standard expressly intends that a requirement be fulfilled by the Appointed Auditor personally, the requirement will indicate that the Appointed Auditor shall personally satisfy the requirement.

Summary financial statements and performance information

means the financial statements and performance information that is derived from the full financial statements and performance information contained in the annual report of a public entity, but that contains less detail than the annual report while still providing a structured representation consistent with that provided in the annual report.

Requirements

Procedures on the summary financial statements and performance information to be carried out as part of the annual audit on behalf of the Auditor-General

7. The Appointed Auditor shall perform the audit procedures on the summary financial statements and performance information as described in ISA (NZ) 810.

Use of standard audit report templates issued by the OAG

8. The Appointed Auditor shall use audit report templates issued by the OAG as the basis for all audit reports issued on summary financial statements and performance information.

[\(Ref: Para. A1-A2\)](#)

9. The Appointed Auditor shall consult with the OAG on any departures (other than those that are trivial or inconsequential) from the format or style of any audit report template issued by the OAG.

Signing of summary audit reports

10. All summary audit reports shall be signed by the Appointed Auditor on behalf of the Auditor-General. However, the Auditor-General reserves the right to sign any summary audit report after giving due notice to the Appointed Auditor.
11. The following information shall be included below the Appointed Auditor's signature:
 - (a) [Appointed Auditor name]
 - (b) [Audit Service Provider name]
 - (c) On behalf of the Auditor-General
 - (d) [City name], New Zealand

Consulting with the OAG

12. The Appointed Auditor shall consult with the Audit Quality team at the OAG before issuing an audit report on the summary financial statements and performance information if the Appointed Auditor *seriously considers* issuing a modified opinion because the summary financial statements and/or performance information:
 - (a) have not been derived from the full financial statements and performance information; and/or
 - (b) are not consistent, in all material respects, with the full financial statements and/or performance information, in accordance with FRS-43: *Summary Financial Statements* or PBE FRS-43: *Summary Financial Statements*, as appropriate.
13. The Audit Quality team shall consider the audit report matter under consultation. Thereafter, as necessary, the Appointed Auditor and the Audit Quality team shall follow the Auditor-General's Opinions Review Committee (the ORC) process.

Application and other explanatory material

Use of standard audit report templates issued by the OAG [\(Ref: Para. 8\)](#)

- A1. The Auditor-General determines the standard format and content for audit reports issued on summary financial statements and performance information of public entities. In doing so, the Auditor-General will be cognisant of the objectives and requirements of ISA (NZ) 810 to ensure appropriate reporting for readers.
- A2. An audit report template on summary financial statements and performance information is contained in Appendix 1.

Appendix 1 – Model audit report for a public entity applying a fair presentation framework

The following audit report is for an entity that is not a FMC reporting entity (under the Financial Markets Conduct Act 2013) and that is required to report performance information in a statement of performance.

Title and addressee section of the audit report	ISA (NZ) 810 requirements and corresponding OAG policies
[Firm's letterhead]	The audit report shall be printed on the letterhead of the auditing firm.
INDEPENDENT AUDITOR'S REPORT	Paragraph NZ16.1(a) of ISA (NZ) 810 (Revised) requires a title clearly indicating it as the report of an independent auditor.
<p>TO THE READERS OF [NAME OF ENTITY]'S SUMMARY FINANCIAL STATEMENTS AND SUMMARY STATEMENT OF PERFORMANCE FOR THE YEAR ENDED [XX MM 20XX]</p>	<p>Paragraph NZ16.1(b) of ISA (NZ) 810 (Revised) requires the auditor's report to have an addressee.</p> <p>Unless an exemption has been specifically provided for by the OAG, all audit reports issued by the Auditor-General shall be addressed to the "readers" because public entities are accountable to a wide constituency and the Auditor-General has broad responsibilities to report to this constituency. Individual exceptions may include situations where there is a minority private sector interest in the entity. For example, where the entity is a joint venture and one of the partners is from the private sector, then the audit report shall be addressed to the "joint venturers".</p> <p>Where an audit report is addressed to a party other than to "the readers", the audit report will normally include the following wording:</p> <p>TO THE [SHAREHOLDERS/JOINT VENTURERS/PARTNERS] OF [NAME OF ENTITY]</p>

Opinion section of the audit report**ISA (NZ) 810 (Revised) requirements and corresponding OAG policies****Opinion**

The summary financial statements and the summary statement of performance of the [name of entity] on pages [...] to [...], that comprise² the summary [statement of financial position] as at [XX MM 20XX], the [summary statement of comprehensive income, summary statement of changes in equity, summary statement of cash flows, and the summary statement of performance] for the year ended on that date, and related notes, are derived from the full financial statements and the full statement of performance for the year ended [XX MM 20XX] that we have audited.

In our opinion, the summary financial statements and the summary statement of performance are consistent, in all material respects, with the full financial statements and the full statement of performance for the year ended [DD MM 20XX], in accordance with [FRS-43: Summary Financial Statements/ PBE FRS-43: Summary Financial Statements] issued by the New Zealand Accounting Standards Board.

Paragraph NZ16.1(c) of ISA (NZ) 810 (Revised) requires the identification of the summary financial statements on which the auditor is reporting, including the title of each statement included in the summary financial statements.

Paragraph NZ16.1(e) of ISA (NZ) 810 (Revised) requires a clear expression of an opinion.

² Ensure that the names that are used in the financial statements and performance information are replicated in the audit report.

Limitations section of the audit report**ISA (NZ) 810 (Revised) requirements and corresponding OAG policies****Summary financial statements and summary statement of performance**

The summary financial statements and the summary statement of performance do not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary financial statements and the summary statement of performance and the auditor's report thereon, therefore, is not a substitute for reading the full financial statements and the full statement of performance and the auditor's report thereon.

The summary financial statements and the summary statement of performance do not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full financial statements and the full statement of performance.

Paragraph NZ16.1(f) of ISA (NZ) 810 (Revised) requires a statement indicating that the summary financial statements do not contain all the disclosures required by the financial reporting framework applied in the preparation of the audited financial statements and that reading the summary financial statements and the auditor's report thereon is not a substitute for reading the audited financial statements and the auditor's report thereon.

Paragraph NZ16.1(g) of ISA (NZ) 810 (Revised) states that the auditor's report on the summary financial statements may be dated later than the date of the auditor's report on the audited financial statements. In such cases, the auditor's report on the summary financial statements shall state that the summary financial statements and audited financial statements do not reflect the effects of events that occurred subsequent to the date of the auditor's report on the audited financial statements.

Reference to the full financial statements and the full statement of performance and audit report thereon section of the audit report**ISA (NZ) 810 (Revised) requirements and corresponding OAG policies****The full financial statements and the full statement of performance and our audit report thereon**

We expressed an unmodified audit opinion on the full financial statements and the full statement of performance for the year ended [DD MM 20XX] in our auditor's report dated [DD MM 20XX].

Paragraph NZ 16.1(d) of ISA (NZ) 810 (Revised) requires identification of the audited financial statements.

[Governing body]'s responsibilities section of the audit report**ISA (NZ) 810 (Revised) requirements and corresponding OAG policies****[Governing body]'s responsibility for the summary financial statements and the summary statement of performance**

Paragraph NZ16.1(i) of ISA (NZ) 810 (Revised) requires a description of those charged with governance's responsibility for the summary financial statements, explaining that those charged with governance are responsible for the preparation of the summary financial statements in accordance with the applied criteria.

The [Governing body] is responsible on behalf of the [name of entity] for the preparation of the summary financial statements and the summary statement of performance in accordance with [FRS-43: Summary Financial Statements/ PBE FRS-43: Summary Financial Statements].

Auditor's responsibilities section of the audit report**ISA (NZ) 810 (Revised) requirements and corresponding OAG policies****Auditor's responsibility**

Paragraph NZ16.1(j) of ISA (NZ) 810 (Revised) requires a statement that the auditor is responsible for expressing an opinion, based on the auditor's procedures conducted in accordance with ISA (NZ) 810 (Revised), on whether the summary financial statements are consistent, in all material respects, with [or are a fair summary of] the audited financial statements.

Paragraph NZ16.2 of ISA (NZ) 810 (Revised) requires a statement as to the existence of any relationship (other than that of auditor) that the auditor has with, or any interests that the auditor has in, the entity.

Our responsibility is to express an opinion on whether the summary financial statements and the summary statement of performance are consistent, in all material respects, with the full audited financial statements and statement of performance of [name of entity], based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests in, [name of entity].

Signature section of the summary audit report

[Signature of Appointed Auditor]

[Name of Appointed Auditor],

[Name of auditing firm]

On behalf of the Auditor-General

[City], New Zealand

[Date]

ISA (NZ) 810 (Revised) requirements and corresponding OAG policies

Paragraph NZ16.1(k) of ISA (NZ) 810 (Revised) requires the auditor's signature. The Auditor-General requires the signature of the Appointed Auditor. If the Appointed Auditor wants to include the signature of the audit firm, this can be included alongside the signature of the Appointed Auditor as follows:

[Signature of Appointed Auditor]

[Signature of auditing firm]

[Name of Appointed Auditor]

[Name of auditing firm]

On behalf of the Auditor-General

[City], New Zealand

[Date]

Paragraph NZ16.1(l) of ISA (NZ) 810 (Revised) requires the auditor's address.

Paragraph NZ16.1(m) of ISA (NZ) 810 (Revised) requires the date of the auditor's report.