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INSIGHTS

AUDIT & ASSURANCE

ISA 720 other information in Cambodian audits

How a Cambodian auditor reads the other information in an annual report under ISA 720, identifies inconsistencies with the audited financial statements and reports material misstatements.



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WHAT DOES ISA 720 REQUIRE FOR OTHER INFORMATION IN A CAMBODIAN AUDIT?

ISA 720 applies when the auditor audits financial statements and the entity issues an annual report or another document that contains the audited financial statements and other information. The auditor reads the other information, considers whether it is materially inconsistent with the financial statements or the auditor's knowledge, and performs procedures to identify material misstatements. The auditor is not required to audit the other information, but must report a material misstatement or a material inconsistency in accordance with ISA 720.

IN SHORT

- ISA 720 applies to the other information in a document that contains the audited financial statements, such as an annual report.
- The auditor reads the other information and considers whether it is materially inconsistent with the financial statements or the auditor's knowledge.
- The auditor performs procedures to identify material misstatements, but does not audit the other information.
- A material inconsistency or misstatement is discussed with management and, if uncorrected, reported in the audit report.
- In Cambodia, the annual report, ACAR filing and management commentary may contain other information; the auditor should agree what is in scope.

What is other information?

Other information is financial or non-financial information in a document that contains the audited financial statements but is not the financial statements themselves. It includes management commentary, a chairman's report, an annual report, a sustainability report or a regulatory filing that includes the audited statements.

ISA 720 applies when the entity issues such a document and the auditor is engaged to audit the financial statements. The auditor and the entity should agree which document and which sections are in scope. A document issued after the audit report may be outside the scope, depending on the terms.

The standard does not apply to a document that does not contain the audited financial statements, or to information that is not part of the annual report. The auditor should confirm the scope at the planning stage.

Reading and identifying misstatements

The auditor reads the other information to understand its content and to consider whether it is materially consistent with the financial statements and the auditor's knowledge. The auditor also considers whether there is a material inconsistency within the other information itself.

The auditor performs procedures to identify material misstatements, such as comparing the other information to the financial statements, reviewing the underlying records and making inquiries. The auditor is not required to audit the other information or to provide assurance on it.

If the auditor identifies a material inconsistency or misstatement, the auditor discusses it with management and, where appropriate, those charged with governance. The auditor may ask management to correct the other information or to provide evidence that supports it.

OTHER INFORMATION: WHAT THE AUDITOR DOES

Step	Procedure	Output
Scope	Agree the document and sections	In-scope other information
Read	Understand the content	Consistency assessment
Compare	Compare to the financial statements and knowledge	Inconsistencies / misstatements
Discuss	Raise with management/governance	Correction or evidence
Report	Report if uncorrected	Audit report section

Reporting

If the other information is materially inconsistent with the financial statements or contains a material misstatement, and management does not correct it, the auditor describes the matter in the audit report. The description identifies the other information and the nature of the inconsistency or misstatement.

If the auditor is unable to obtain the other information before the audit report date, the auditor considers the effect on the report and may need to disclose that the other information was not available. The auditor should not issue an unmodified report that implies the other information was read when it was not.

The auditor's report includes an 'Other information' section that explains the auditor's responsibilities and the outcome. The section is not an opinion on the other information.

Other information is read, not audited

The auditor reads the other information and reports material inconsistencies or misstatements. The auditor does not audit the chairman's report or the sustainability narrative.

Cambodian practice

A Cambodian annual report may include the audited financial statements, a management report, a corporate governance section and a sustainability section. The ACAR filing may include additional information. The auditor should agree which document is the annual report and which sections are in scope.

The auditor should compare the other information to the audited statements, the tax returns and the auditor's knowledge. A common inconsistency is a revenue or profit figure in the management report that does not agree to the audited statements, or a claim about a licence or a project that is not supported.

The other information may be in Khmer and English. The auditor should read both versions and check that they are consistent. A translation difference that changes a material figure is a misstatement.

- Annual report, management commentary and governance section.
- ACAR filing and any additional information.
- Khmer/English consistency.
- Revenue, profit and balance sheet figures.
- Licences, projects and other claims.

Documentation

The auditor documents the other information obtained, the procedures performed, the inconsistencies or misstatements identified, the discussions with management and the conclusion. The documentation should show that the other information was read and that the reporting decision was made.

The audit file should include the final version of the other information and the audit report. If the other information was revised, the auditor should document the revision and the effect on the report.

Key facts

How this article is checked

Figures were verified against the sources listed below in November 2026 and are re-checked each January or when the rule changes. Written by Liv Bonito, Co-founder & Managing Director. General information, not advice on your situation: for that, talk to a partner.

QUESTIONS

Questions people ask

Does ISA 720 apply to every document the company issues?

No. It applies to a document that contains the audited financial statements and other information, such as an annual report. A document that does not contain the audited statements, or information outside the agreed scope, is not covered.

Does the auditor audit the other information?

No. The auditor reads the other information and performs procedures to identify material inconsistencies or misstatements. The auditor does not provide an opinion on the other information.

What if management refuses to correct a material inconsistency?

The auditor describes the matter in the audit report. The description identifies the other information and the nature of the inconsistency or misstatement. The auditor does not issue an unmodified report that ignores it.

Does ISA 720 apply to the ACAR filing?

It applies if the filing is a document that contains the audited financial statements and other information. The auditor and the entity should agree the scope. The financial statements themselves are audited under the other standards, not ISA 720.

SOURCES

Where the rules come from

01 ISA 720 The Auditor's Responsibilities Relating to Other Information — IAASB / KICPAA

02 ISA 700 Forming an Opinion and ISA 701 Key Audit Matters — IAASB / KICPAA

03 ISA 230 Audit Documentation — IAASB / KICPAA

04 Law on Accounting and Auditing (Royal Kram NS/RKM/0416/006, 11 April 2016) and ACAR filing requirements (https://www.acar.gov.kh) — Kingdom of Cambodia / Accounting and Auditing Regulator