



[Aus] Illustration 15: An auditor's report on a complete set of financial statements of an entity other than a listed entity prepared in accordance with the financial reporting provisions of a contract (for purposes of this illustration, a compliance framework).

For purposes of this illustrative auditor's report, the following circumstances are assumed:

- ~~• The financial statements report have been prepared by management of the entity in accordance with a not-for-profit incorporated association to meet the financial reporting provisions of a contract (that is, a special purpose framework. Management does not have a choice of financial reporting frameworks requirements of the applicable legislation. Management does not have a choice of financial reporting frameworks.~~
- ~~• The applicable financial reporting framework is a fair presentation framework.~~
- ~~• The financial report is not prepared under the Corporations Act 2001.~~
- ~~• The applicable financial reporting framework is a compliance framework.~~
- ~~• An auditor's report on the complete set of general purpose financial statements was not issued.~~
- The terms of the audit engagement reflect the description of management's responsibility for the financial statements in ISA-ASA 210.
- The auditor has concluded an unmodified (i.e., "clean") opinion is appropriate based on the audit evidence obtained.
- The relevant ethical requirements that apply to the audit are those of the jurisdiction the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants.
- Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with ISA-ASA 570 (Revised).
- Distribution and use of the auditor's report are is not restricted.
- The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with ISA-ASA 701.
- No Other Information is expected to be obtained and the auditor has determined that there is no other information (i.e., the requirements of ISA-ASA 720 (Revised) do not apply).
- Those responsible for oversight of the financial reporting process differ from those responsible for the preparation of the financial statements report.
- The auditor has no other reporting responsibilities required under local law or regulation.

INDEPENDENT AUDITOR'S REPORT

[Appropriate Addressee]

Opinion

We have audited the financial statements report of ABC Company Entity (the Company Entity), which comprises the balance sheet statement of financial position as at 31 December 31, 20X1, ~~and the income statement~~ the statement of comprehensive income, statement of changes in equity and



~~statement of~~ cash flows ~~statement~~ for the year then ended, and notes to the financial statements, including a summary of significant accounting policies ~~and managements' assertion statement~~¹.

In our opinion, the accompanying financial ~~report presents fairly, in all material respects, (or give a true and fair view of) the financial position of the Entity as at 31 December 20X1, and (of) its financial performance and its cash flows for the year then ended in accordance with [the financial reporting requirements of the applicable legislation]. statements of the Company for the year ended December 31, 20X1 are prepared, in all material respects, in accordance with the financial reporting provisions of Section Z of the contract dated January 1, 20X1 between the Company and DEF Company ("the contract"). [Opinion section positioned first as required in ISA 700 (Revised)]~~

Basis for Opinion

We conducted our audit in accordance with ~~International Standards on Auditing (ISAs)~~Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements Report* section of our report. We are independent of the ~~Company Entity~~ in accordance with the ethical requirements ~~that are relevant to our audit of the financial statements in [jurisdiction] of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. , and we~~We have ~~also~~ fulfilled our other ethical responsibilities in accordance with ~~these requirements~~the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. ~~[The first and last sentences in this section used to be in the Auditor's Responsibility section. Also, the Basis for Opinion section is positioned immediately after the Opinion section as required in ISA 700 (Revised).]~~

Emphasis of Matter – Basis of Accounting ~~and Restriction on Distribution and Use~~

~~Without modifying our opinion, W~~we draw attention to Note X to the financial ~~statements report~~, which describes the basis of accounting. The financial ~~statements are~~report has been prepared to assist ABC ~~the Company Entity~~ to ~~comply in complying with the financial reporting provisions of the contract referred to above~~meet the requirements of the applicable legislation. As a result, the financial ~~statements report~~ may not be suitable for another purpose. ~~Our report is intended solely for ABC the Company and DEF Company and should not be distributed to or used by parties other than ABC the Company or DEF Company.~~ Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements² Report

Management is responsible for the preparation ~~and fair presentation of these~~ the financial ~~statements report in accordance with the financial reporting requirements of the applicable legislation and for in accordance with the financial reporting provisions of Section Z of the contract and for~~ such internal control as ~~management~~management determines is necessary to enable the preparation ~~and fair presentation of a financial statements report that are is~~ free from material misstatement, whether due to fraud or error.

In preparing the financial ~~statements report~~, management is responsible for assessing the ~~Company's Entity's~~ ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the ~~Company Entity~~ or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ~~Company's Entity's~~ financial reporting process.

¹ Or other appropriate description.

² Throughout these illustrative auditor's reports, the terms management and those charged with governance may need to be replaced by another term that is appropriate in the context of the legal framework in the particular jurisdiction.



Auditor's Responsibilities for the Audit of the Financial ~~Statements~~Report

~~Our responsibility is to express an on opinion on these financial statements based on our audit.~~ Our objectives are to obtain reasonable assurance about whether the financial ~~statements-report~~ as a whole ~~are-is~~ free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ~~ISAs-the Australian Auditing Standards~~ will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of ~~these-this~~ financial ~~statements~~report.



Paragraph 41(b) of [ISA-ASA 700 \(Revised\)](#) explains that the shaded material below can be located in an Appendix to the auditor's report.

Paragraph 41(c) of [ISA-ASA 700 \(Revised\)](#) explains that when law, regulation or national auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below. [When the auditor refers to a description of the auditor's responsibilities on a website, the appropriate authority is the Auditing and Assurance Standards Board and the website address is <http://www.auasb.gov.au/Home.aspx> \(Ref: Para. Aus A57.1\)](#)

As part of an audit in accordance with [ISAs Australian Auditing Standards](#), we exercise professional judgment and maintain professional ~~skeptieism~~ [scepticism](#) throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial ~~statements~~ [report](#), whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the ~~audit~~ 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 ~~Company's~~ [Entity's](#) internal control.³
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ~~Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the~~ [Company's](#) [Entity's](#) ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial ~~statements~~ [report](#) or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ~~Company~~ [Entity](#) to cease to continue as a going concern.
- [Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.](#)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[\[Auditor's name and signature\]](#)⁴

[\[Name of Firm\]](#)

[\[Date of the auditor's report\]](#)

[\[Auditor's address\]](#)

~~Signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate for the particular jurisdiction~~

~~[\[Auditor's address\]](#) [\[Placement of date and address reversed\]](#)~~

³ ~~This sentence would be modified, as appropriate, in circumstances when the auditor also has responsibility to issue an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements.~~

⁴ ~~The auditor's signature is either in the name of the audit firm, the personal name of the auditor or both, as appropriate.~~