

Agenda Item 8.2  
AUASB Meeting 18-19 April 2011  
Marked Up Version

April 2011

# **Explanatory Guide to ED 01/11 (Amending Standard ASA 2011-1)**

Issued by the **Auditing and Assurance Standards Board**



**Australian Government**

**Auditing and Assurance Standards Board**

The AUASB issues *Explanatory Guide to ED 01/11 (Amending Standard 2011-1)* pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001*. This Explanatory Guide does not itself establish or extend mandatory requirements or the assurance practitioner's obligations for the performance of audit, review, assurance or related service engagements under the AUASB Standards.

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## Explanatory Guide to ED 01/11 Amendments to Auditing Standards

### Purpose

The purpose of this Explanatory Guide to ED 01/11 is to provide supplementary information to auditors and assurance practitioners on the proposed amendments to the Auditing Standards effected through the issuance of:

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#### *ASA 2011-1 Amendments to Auditing Standards*

ASA 2011-1 will be a legislative instrument and accordingly the introductory narrative of each amendment is intentionally kept to a minimum. This Explanatory Guide aims to assist users in understanding the proposed legislative instrument (ASA 2011-1) by showing how the proposed amendments will affect the existing standards (“clarity” versions issued October 2009).

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### Operative Date

The amendments will be operative for financial reporting periods commencing on or after 1 July 2011, however, early adoption is permitted.

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### Introduction

The following paragraphs reflect the proposed amendments found in ED 01/11.

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To achieve its aim, this Explanatory Guide sets out the exact text of the relevant paragraph or sentence in the existing standards and indicates the proposed amendments as “marked-up” items. The unmarked text is copied directly from the “clarity” versions of the Auditing Standards issued by the Auditing and Assurance Standards Board (AUASB) in October 2009.

#### Note

Amendments to example letters and example auditor’s reports contained within the appendices of the relevant Auditing Standards are identified by a right-side border in Exposure Draft 01/11 and in this Explanatory Guide.

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## CONSEQUENTIAL AMENDMENTS

### Amendments to ASA 102

1. The second sentence of paragraph 4(e) is amended to read as follows (new text is underlined):

Relevant ethical requirements means ethical requirements that apply to the auditor, assurance practitioner, engagement quality control reviewer and firm. In Australia, these include the applicable requirements of APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board (February 2008 and December 2010 as applicable), the applicable provisions of the *Corporations Act 2001* and other applicable law or regulation.

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2. The first sentence of paragraph A1 is amended to read as follows (new text is underlined and deleted text is struck through):

The auditor, assurance practitioner, engagement quality control reviewer, and firm are to have regard to the applicable requirements of APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board (February 2008 and December 2010 as applicable), which are to be taken into account in determining whether relevant ethical requirements referred to in paragraph 5 of this Auditing Standard have been met. In relation to audits and reviews undertaken in accordance with the *Corporations Act 2001*, the provisions of Division 3 Part 2M.4 of the Act may also apply.

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## EDITORIAL AMENDMENTS

### Amendment to ASQC 1

3. The second sentence of paragraph Aus A63.1 is amended to read as follows (new text is underlined and deleted text is struck through):

Unless otherwise specified by law or regulation, engagement documentation remains the property of the firm. The firm may, at its discretion, make portions of, or extracts from, engagement documentation available to clients, provided such disclosure does not undermine the validity of the work performed, and also, in the case of assurance engagements, or the independence of the firm or its personnel.

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### Amendment to ASA 101

4. The page header on pages 8 to 12 is amended to read as follows:

~~Proposed~~ Auditing Standard ASA 101  
*Preamble to Australian Auditing Standards*

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5. Paragraph 3 is amended to read as follows (new text is underlined):

This Auditing Standard is operative for engagements with financial reporting periods commencing on or after 1 January 2010, and for firms required to establish systems of quality control in compliance with ASQC 1 by 1 January 2010.

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**Amendments to ASA 210**

*Amendments to Example Audit Engagement Letter - Appendix 1*

6. The last sentence in the first paragraph is amended to read as follows (deleted text is struck through):

Our audit will be conducted with the objective of ~~our~~ expressing an opinion on the financial report.

7. The last sentence of the paragraph headed Annual General Meetings is amended to read as follows (new text is underlined):

To assist us in meeting this requirement in the *Corporations Act 2001* relating to Annual General Meetings, we request you provide to us written questions submitted to you by shareholders as soon as practicable after the question(s) is received and no later than five business days before the Annual General Meeting, regardless of whether you believe them to be irrelevant. [Applicable only to listed entities]

8. The last line of paragraph 4 in Appendix 2 is amended to read as follows (new text is underlined and deleted text is struck through):

When the auditor makes such a comparison and differences are identified, the decision as to whether the accounting conventions adopted in the preparation of the financial report constitute an acceptable financial reporting framework includes considering the reasons for the differences and whether application of the accounting conventions, or the description of the financial reporting framework in the financial report, could result in a financial report that ~~are~~ is misleading.

**Amendments to ASA 220**

9. Paragraph 7(j)(i) is amended to read as follows (new text is underlined and deleted text is struck through):

That is aimed at cooperation ~~;~~ and

10. The second sentence in paragraph A23 is amended to read as follows (new text is underlined and deleted text is struck through):

In the case of an audit of a financial report of ~~an~~ a listed entity or when an engagement meets the criteria for an engagement quality control review, such a review assists the auditor in determining whether sufficient appropriate evidence has been obtained.

**Amendment to ASA 240**

11. The second sentence in paragraph A30 is amended to read as follows (deleted text is struck through):

For example, the auditor may conclude that there is no risk of material misstatement due to fraud relating to revenue recognition in the case where ~~a~~ there is a single type of simple revenue transaction, for example, leasehold revenue from a single unit rental property.

**Amendments to ASA 260**

12. Paragraph Aus 0.1 (a) is amended to read as follows (new text is underlined):

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An audit of a financial report for a financial year, or an audit of a financial report for a half-year, in accordance with the *Corporations Act 2001*;

13. Footnote \* attached to paragraph Aus 17.1 is amended to read as follow (new text is underlined):

See, for example, section 292 of the *Corporations Act 2001*...

**Amendment to ASA 300**

14. The last sub-heading in Appendix 1 is amended by bolding the text as follows:

**Nature, Timing and Extent of Resources**

**Amendments to ASA 315**

15. The first sentence in paragraph A26 is amended to read as follows (new text is underlined and deleted text is struck through):

A special-purpose entity (sometimes referred to as a special purpose vehicle) is an entity that is generally established for a narrow and well-defined purpose, such as to effect a lease or a securitisation of financial ~~asses~~ assets, or to carry out research and development activities.

16. The first sentence of paragraph 3 in Appendix 1 is amended to read as follows (new text is underlined):

For financial reporting purposes, the entity's risk assessment process includes how management identifies business risks relevant to the preparation of the financial report in accordance with the entity's applicable financial reporting framework, estimates their significance, assesses the likelihood of their occurrence, and decides upon actions to respond to and manage them and the results thereof.

17. The sub-heading immediately above paragraph 5 in Appendix 1 is amended to read as follows (new text is underlined and deleted text is struck through):

**Information System, Including the Related Business Processes, Relevant ~~To~~ to Financial Reporting, ~~And~~ and Communication**

**Amendment to ASA 320**

18. The title page of the standard is amended to read as follows (new text is underlined):

**Auditing Standard ASA 320**  
***Materiality in Planning and Performing an Audit***

**Amendment to ASA 501**

19. Paragraph Aus 0.1 (a) is amended to read as follows (deleted text is struck through):

an audit of a financial report for a financial year, or an audit of a financial report for a half-year, in accordance with ~~of~~ the *Corporations Act 2001*;

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**Amendments to ASA 502**

20. The second sentence of the fourth paragraph in the Preface is amended to read as follows (new text is underlined and deleted text is struck through):

~~ASA508-ASA 508~~ contains requirements and guidance that the AUASB considers important to carry forward in the Australian Auditing Standards, and as a result, the revised standard is better suited to presentation as a separate standard.

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21. The reference in the sub-heading immediately above paragraph A4 is amended to read as follows (new text is underlined and deleted text is struck through):

*Reviewing Legal Expense Accounts* (Ref: Para. 4~~(c)~~)

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**Amendment to ASA 540**

22. The second paragraph under the heading “Conformity with International Standards on Auditing” is amended to read as follows (new text is underlined):

Paragraphs that have been added to this Auditing Standard (and do not appear in the text of the equivalent ISA) are identified with the prefix “Aus”.

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**Amendments to ASA 550**

23. Footnote 7 attached to paragraph 11 is amended to read as follows (new text is underlined and deleted text is struck through):

See ASA 315, paragraph 5; ~~an~~ and ASA 240, paragraph 16.

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24. The sub-heading immediately above paragraph A23 is aligned to the left margin and amended to read as follows (new text is underlined):

Arrangements that may indicate the existence of previously unidentified or undisclosed related party relationships or transactions (Ref: Para. 16)

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**Amendment to ASA 560**

25. Paragraph 10(b) is amended to read as follows (new text is underlined and deleted text is struck through):

Determine whether the financial report needs amendment; and, if so...

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**Amendments to ASA 570**

26. The last sentence in paragraph A8 is amended to read as follows (new text is underlined):

In this case, the auditor’s evaluation of the appropriateness of management’s assessment may be made without performing detailed evaluation procedures if the auditor’s other audit procedures are sufficient to enable the auditor to conclude whether management’s use of the going concern assumption in the preparation of the financial report is appropriate in the circumstances.

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27. The third sentence in paragraph A12 is amended to read as follows (new text is underlined):

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For example, the continuance of a small entity in financial difficulty may be dependent on the owner-manager subordinating a loan to the entity in favour of banks or other creditors, or the owner-manager supporting a loan for the entity by providing a guarantee with the owner-managers personal assets as collateral.

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*Amendments to Example Auditor's Reports – [Aus] Appendices 2 and 3*

28. The first bullet point text in the box describing [Aus] Illustration 2 in [Aus] Appendix 2 is amended to read as follows (new text is underlined):

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Audit of a single company's financial report.

29. [Aus] Appendix 2, [Aus] Illustration 1 and [Aus] Illustration 2; and [Aus] Appendix 3, [Aus] Illustration 1 - the third sentences of the second paragraphs describing the *Auditor's Responsibility* are amended to read as follows (new text is underlined and deleted text is struck through):

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In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report that gives a true and fair view 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 internal control.

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30. [Aus] Appendix 2, [Aus] Illustration 3; and [Aus] Appendix 3, [Aus] Illustration 1 – the paragraphs describing the *Directors' Responsibility for the Financial Report* are amended to read as follows (new text is underlined):

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The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error

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31. [Aus] Appendix 3, [Aus] Illustration 1- the first sentence of the *Emphasis of Matter* paragraph is amended to read as follows (new text is underlined and deleted text is struck through):

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Without qualifying-modifying our opinion, we draw attention to Note X in the financial report, which indicates that the company incurred a net loss of ZZZ during the year ended 30 June 20X1 and, as of that date, the company's current liabilities exceeded its total assets by YYY.

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32. [Aus] Appendix 2, [Aus] Illustrations 1, 2 & 3; and [Aus] Appendix 3, [Aus] Illustrations 1- the headings and subheadings of the reports are amended to read as follows (new text is underlined):

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INDEPENDENT AUDITOR'S REPORT

[Appropriate Addressee]

Report on the Financial Report

**Amendments to ASA 580**

*Amendments to Example Representation Letter – Appendix 2*

33. The second sentence in the first paragraph in Appendix 2 is amended to read as follows (new text is underlined):

It is assumed in this illustration that the applicable financial reporting framework is the Australian Accounting Standards and the *Corporations Act 2001*; the requirements of ASA 570<sup>10</sup> and ASA 710<sup>#</sup> to obtain written representations are not relevant; and that there are no exceptions to the requested written representations.

34. As a result of the amendment in paragraph 40 above, a new footnote is introduced following footnote 10 (new text is underlined):

# See ASA 710 Comparative Information – Corresponding Figures and Comparative Financial Reports.

35. The second paragraph in Appendix 2 is amended to read as follows (new text is underlined and deleted text is struck through):

This representation letter is provided in connection with your audit of the financial report of ABC Entity Company Ltd for the year ended 30 June 20XX [or period covered by the auditor’s report] for the purpose of expressing an opinion as to whether the financial report ~~is presented fairly, gives a true and fair view~~ in all material respects, (or gives a true and fair view) in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

36. The fourth paragraph in Appendix 2 is amended to read as follows (deleted text is struck through):

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated [insert date], for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*; in particular the financial report ~~is fairly presented (or gives a true and fair view)~~ in accordance therewith.

37. Under the subheading “**Information Provided**” in Appendix 2, new information is introduced as the third bullet point (new text is underlined):

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud;

38. Under the subheading “**Information Provided**” in Appendix 2, new information is introduced as the eighth bullet point (new text is underlined):

We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial report; and accounted for and disclosed in accordance with [the applicable financial reporting framework].

**Amendments to ASA 700**

*Amendments to Example Auditor’s Reports – Appendix 1*

39. Illustration 2 - the sub-headings relating to management and auditor responsibilities are amended to read as follows (new text is underlined and deleted text is struck through):

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~~Management's<sup>31</sup> Responsibility for the Financial Statements~~

~~Auditor's Responsibility~~

Management's<sup>31</sup> Responsibility for the Financial Statements

Auditor's Responsibility

40. [Aus] Illustration 1A – the third sentence of the second paragraph describing the *Auditor's Responsibility* is amended to read as follows (new text is underlined and deleted text is struck through):

In making those risk assessments, the auditor considers internal control relevant to the entity's company's preparation of the financial report that gives a true and fair view 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 entity's company's internal control.

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41. [Aus] Illustration 3A - the third sentence of the second paragraph under the subheading *Auditor's Responsibility* is amended to read as follows (new text is underlined and deleted text is struck through):

In making those risk assessments, the auditor considers internal control relevant to the entity's company's preparation ~~and fair presentation~~ of the financial report that gives a true and fair view 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 entity's company's internal control.

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**Amendment to ASA 705**

42. Paragraph A24 is amended to read as follows (deleted text is struck through):

Illustrations 3 and 3A in Appendix 1 contains an auditor's report with a qualified opinion as the auditor is unable to obtain sufficient appropriate audit evidence.

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**Amendments to ASA 706**

43. Paragraph Aus A1.1 is amended to read as follows (new text is underlined and deleted text is struck through):

Ordinarily, ~~a significant an~~ uncertainty, the resolution of which may materially affect the financial report, would warrant an Emphasis of Matter paragraph in the auditor's report.

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44. The first bullet point text in the box describing [Aus] Illustration 1A in Appendix 3 is amended to read as follows (new text is underlined and deleted text is struck through):

1. ~~•~~ \_\_\_\_\_ Audit of a single entity's company's financial report.

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*Amendments to Example Auditor's Reports – Appendix 3*

2.45. [Aus] Illustration 1A - the third sentence of the second paragraph describing the *Auditor's Responsibility* is amended to read as follows (new text is underlined and deleted text is struck through):

In making those risk assessments, the auditor considers internal control relevant to the entity's company's preparation of the

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financial report that gives a true and fair view 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 entity's internal control.

- 3-46. Illustration 1 and [Aus] Illustration 1A - the second sentences of the *Emphasis of Matter* paragraphs are amended to read as follows (new text is underlined and deleted text is struck through):

Our opinion is not ~~qualified~~ modified in respect of this matter.

### Amendments to ASA 710

#### Amendments to Example Auditor's Reports – Appendix 1

- 4-47. [Aus] Illustration 1A - the third sentence of the second paragraph describing the *Auditor's Responsibility* is amended to read as follows (new text is underlined and deleted text is struck through):

In making those risk assessments, the auditor considers internal control relevant to the company's preparation ~~and fair presentation~~ of the financial report that gives a true and fair view 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 internal control.

- 5-48. [Aus] Illustration 2A - the paragraph describing the *Directors' Responsibility for the Financial Report* is amended to read as follows (new text is underlined and deleted text is struck through):

The directors of the company are responsible for the preparation ~~and fair presentation~~ of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

- 6-49. [Aus] Illustration 2A - the third sentence of the second paragraph describing the *Auditor's Responsibility* is amended to read as follows (new text is underlined):

In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 internal control.

- 7-50. Illustrations 1, 2, 3, 4 and [Aus] illustrations 1A and 2A – the third sentence of the second paragraph describing the *Auditor's Responsibility* is amended to read as follows (new text is underlined):

Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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**Amendments to ASA 800**

*Amendments to Example Auditor's Reports – Appendix 1*

8.51. Illustration 3 - the paragraph describing *Management's Responsibility for the Financial Report* is amended to read as follows (new text is underlined):

Management is responsible for the preparation<sup>16</sup> and fair presentation of the financial report in accordance with the [financial reporting provisions of Section Y of Regulation Z,] and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error

9.52. [Aus] Illustration 4 - the paragraph describing *The Directors' Responsibility for the Financial Report* is amended to read as follows (new text is underlined):

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note X to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

10.53. [Aus] Illustration 5 - the first paragraph of the example auditor's report is amended to read as follows (new text is underlined):

We have audited the accompanying financial report, being a special purpose financial report, of ABC Not-for-Profit Incorporated, which comprises the statement of financial position as at 30 June 20X1, the statement of comprehensive income and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the officers' assertion statement.

11.54. [Aus] Illustration 5 - the sub-heading to the last paragraph is amended to read as follows (deleted text is struck through):

**Basis of Accounting ~~and Restriction on Distribution~~**

12.55. [Aus] Illustration 5 - the third sentence of the second paragraph under the sub-heading "**Auditor's Responsibility**" is amended to read as follows (deleted text is struck through):

In making those risk assessments, the auditor considers internal control relevant to the association's preparation of the financial report that gives a true and fair view, 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 association's internal control.

13.56. Illustrations 1,2, and 3 – the third sentence of the first paragraph describing the *Auditor's Responsibility* is amended to read as follows (new text is underlined):

Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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14.57. The sub-headings in the example auditor's reports are amended to read as follows (new text is underlined and deleted text is struck through):

[Illustrations 1, 2 and 3]

~~Management's Responsibility for the Financial Report~~  
~~Auditor's Responsibility~~  
**Opinion**

Management's Responsibility for the Financial Report  
Auditor's Responsibility  
Opinion

[Illustrations 1]

~~Basis of Accounting and Restriction on Distribution and Use~~  
Basis of Accounting and Restriction on Distribution and Use

[Illustrations 2]

~~Basis of Accounting and Restriction on Distribution~~  
Basis of Accounting and Restriction on Distribution

[Illustrations 3]

~~Basis of Accounting~~  
**Other Matter**  
Basis of Accounting  
Other Matter

[[Aus] Illustrations 4]

~~Directors' Responsibility for the Financial Report~~  
~~Auditor's Responsibility~~  
**Independence**  
**Opinion**  
**Basis of Accounting**

Directors' Responsibility for the Financial Report  
Auditor's Responsibility  
Independence  
Opinion  
Basis of Accounting

[[Aus] Illustrations 5]

~~Officers' Responsibility for the Financial Report~~  
~~Auditor's Responsibility~~  
**Opinion**  
**Basis of Accounting and Restriction on Distribution**

Officers' Responsibility for the Financial Report  
Auditor's Responsibility  
Opinion  
Basis of Accounting and Restriction on Distribution

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## Amendments to ASRE 2410

15.58. Paragraph 39 is amended to read as follows (new text is underlined and deleted text is struck through):

The auditor shall express a qualified ~~opinion~~ conclusion when, in rare circumstances, there is a limitation on the scope of the auditor's work that is confined to one or more specific matters, which while material, is not in the auditor's judgement pervasive to the financial report, and when the auditor concludes that an unqualified opinion cannot be expressed.

### Amendments to Example Engagement Letter – Appendix 1

16.59. The first sentence of the second last paragraph under the sub-heading “**Scope**”, is amended to read as follows (new text is underlined and deleted text is struck through):

The directors [those charged with governance<sup>11</sup>] of the [company/registered scheme/disclosing entity] are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors [those charged with governance] determine ~~are~~ is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

17.60. The example engagement letter is amended to include a new paragraph directly before the last paragraph under the sub-heading “**Scope**”, the amendment reads as follows (new text is underlined):

The directors [those charged with governance] of the [company/registered scheme/disclosing entity] acknowledge and understand they have responsibility to provide us with:

- (i) access to information relevant to the preparation of the financial report;
- (ii) additional information that we may request for the purposes of the review engagement; and
- (iii) unrestricted access to persons from whom we determine it is necessary to obtain evidence.

### Amendments to Example Representation Letter – Appendix 1

18.61. The second bullet point under the sub-heading *Notes: (a) Exceptions* is amended to read as follows (new text is underlined and deleted text is struck through):

If the entity has plans that impact the carrying values of assets and liabilities, Item ~~13.5~~ (above) could be modified to read:

“The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, except for our plan to dispose of segment X, as disclosed in note Y in the ~~in the~~ financial report, which is discussed in the minutes of the meeting of the governing body<sup>2</sup> held on [date]”.

### Amendments to Example Auditor's Report – Appendix 3

19.62. The sub-headings in the example auditor's report are amended to read as follows (new text is underlined and deleted text is struck through):

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~~**Directors' Responsibility for the Half-Year Financial Report**~~  
~~**Auditor's Responsibility**~~  
~~**Independence**~~  
~~**Conclusion**~~

*Directors' Responsibility for the Half-Year Financial Report*  
*Auditor's Responsibility*  
*Independence*  
*Conclusion*

20.63. The second sentence of the paragraph describing the *Auditor's Responsibility* is amended to read as follows (new text is underlined):

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the [company's/registered scheme's/disclosing entity's] financial position as at 31 December 20XX and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Amendments to Example Auditor's Reports – Appendix 4*

21.64. The sub-headings in the example auditor's reports are amended to read as follows (new text is underlined and deleted text is struck through):

[Example of an Unmodified Auditor's Review Report on a Financial Report]

~~**[Title of Those Charged with Governance] Responsibility for the [period] Financial Report**~~  
~~**Auditor's Responsibility**~~  
~~**Independence**~~  
~~**Conclusion**~~

*[Title of Those Charged with Governance] Responsibility for the [period] Financial Report*  
*Auditor's Responsibility*  
*Independence*  
*Conclusion*

[Example of an Auditor's Review Report with a Qualified Conclusion (Except for) for a Departure from the Applicable Financial Reporting Framework]

~~**[Title of Those Charged with Governance] Responsibility for the [period] Financial Report**~~  
~~**Auditor's Responsibility**~~  
~~**Independence**~~  
~~**Basis for Qualified Conclusion**~~  
~~**Qualified Conclusion**~~

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[Title of Those Charged with Governance] Responsibility for the [period] Financial Report  
Auditor's Responsibility  
Independence  
Basis for Qualified Conclusion  
Qualified Conclusion

[Example of an Auditor's Review Report with a Qualified Conclusion for a Limitation on Scope Not Imposed by Management]

~~[Title of Those Charged with Governance] Responsibility for the [period] Financial Report~~  
~~Auditor's Responsibility~~  
~~Independence~~  
~~Basis for Qualified Conclusion~~  
~~Qualified Conclusion~~

[Title of Those Charged with Governance] Responsibility for the [period] Financial Report  
Auditor's Responsibility  
Independence  
Basis for Qualified Conclusion  
Qualified Conclusion

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[Example of an Auditor's Review Report with an Adverse Conclusion for a Departure from the Applicable Financial Reporting Framework]

~~[Title of Those Charged with Governance] Responsibility for the [period] Financial Report~~  
~~Auditor's Responsibility~~  
~~Independence~~  
~~Basis for Adverse Conclusion~~  
~~Adverse Conclusion~~

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[Title of Those Charged with Governance] Responsibility for the [period] Financial Report  
Auditor's Responsibility  
Independence  
Basis for Adverse Conclusion  
Adverse Conclusion

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[Example of an Auditor's Review Report with a Qualified Conclusion (Except for) on the Basis that Comparatives have not been Reviewed or Audited]

~~[Title of Those Charged with Governance] Responsibility for the [period] Financial Report~~  
~~Auditor's Responsibility~~  
~~Independence~~  
~~Basis for Qualified Conclusion~~  
~~Qualified Conclusion~~

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[Title of Those Charged with Governance] Responsibility for the [period] Financial Report  
Auditor's Responsibility  
Independence  
Basis for Qualified Conclusion  
Qualified Conclusion

22-65. Example of an Unmodified Auditor’s Review Report on a Financial Report, sub-heading: [*Title of Those Charged with Governance*] Responsibility for the [*period*] Financial Report – the paragraph is amended to read as follows (new text is underlined):

The [title of those charged with governance] of the [type of entity] are responsible for the preparation and fair presentation of the [period] financial report in accordance with the [applicable financial reporting framework] and for such control as the directors [those charged with governance] determine is necessary to enable the preparation of the [period] financial report that is free from material misstatement, whether due to fraud or error.

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23-66. Example of an Auditor’s Review Report with a Qualified Conclusion (Except For) for a Departure from the Applicable Financial Reporting Framework, sub-heading: [*Title of Those Charged with Governance*] Responsibility for the [*period*] Financial Report – the paragraph is amended to read as follows (new text is underlined):

The [title of those charged with governance] of the [type of entity] are responsible for the preparation and fair presentation of the [period] financial report in accordance with the [applicable financial reporting framework] and for such control as the directors [those charged with governance] determine is necessary to enable the preparation of the [period] financial report that is free from material misstatement, whether due to fraud or error.

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24-67. Example of an Auditor’s Review Report with a Qualified Conclusion for a Limitation on Scope Not Imposed by Management, sub-heading: [*Title of Those Charged with Governance*] Responsibility for the [*period*] Financial Report – the paragraph is amended to read as follows (new text is underlined):

The [title of those charged with governance] of the [type of entity] are responsible for the preparation and fair presentation of the [period] financial report in accordance with the [applicable financial reporting framework] and for such control as the directors [those charged with governance] determine is necessary to enable the preparation of the [period] financial report that is free from material misstatement, whether due to fraud or error.

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25-68. Example of an Auditor’s Review Report with an Adverse Conclusion for a Departure from the Applicable Financial Reporting Framework, sub-heading: [*Title of Those Charged with Governance*] Responsibility for the [*period*] Financial Report – the paragraph is amended to read as follows (new text is underlined):

The [title of those charged with governance] of the [type of entity] are responsible for the preparation and fair presentation of the [period] financial report in accordance with the [applicable financial reporting framework] and for such control as the directors [those charged with governance] determine is necessary to enable the preparation of the [period] financial report that is free from material misstatement, whether due to fraud or error.

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26-69. Example of an Auditor’s Review Report with a Qualified Conclusion (Except for) on the Basis that Comparatives have not been Reviewed or Audited, sub-heading: [*Title of Those Charged with Governance*] Responsibility for the [*period*] Financial Report – the paragraph is amended to read as follows:

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The [title of those charged with governance] of the [type of entity] are responsible for the preparation [and fair presentation](#) of the [period] financial report in accordance with the [applicable financial reporting framework] and for such control as the directors [those charged with governance] determine is necessary to enable the preparation of the [period] financial report that is free from material misstatement, whether due to fraud or error.

\* \* \*

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