

**GS 006**  
(February 2010)

# **Guidance Statement GS 006** *Electronic Publication of the Auditor's Report*

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

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**AUTHORITY STATEMENT**

The Auditing and Assurance Standards Board (AUASB) issues Guidance Statement GS 006 *Electronic Publication of the Auditor's Report* pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001*, for the purposes of providing guidance on auditing and assurance matters.

This Guidance Statement provides guidance to assist the auditor to fulfil the objectives of the audit or assurance engagement. It includes explanatory material on specific matters for the purposes of understanding and complying with AUASB Standards. The auditor exercises professional judgement when using this Guidance Statement.

The Guidance Statement does not prescribe or create new mandatory Requirements.

| Dated: 1 March 2018

M H Kelsall  
Chairman - AUASB

## GUIDANCE STATEMENT GS 006

### *Electronic Publication of the Auditor's Report*

#### Application

- 1 This Guidance Statement has been formulated by the Auditing and Assurance Standards Board (AUASB) to provide guidance to auditors on matters relating to the electronic publication of the auditor's report.

#### Issuance Date

- 2 This Guidance Statement is issued on 1 March 2010 and replaces GS 006 *Electronic Publication of the Auditor's Report* which was issued in December 2007.

#### Introduction

- 3 Various types of financial and non-financial information can be distributed electronically or published ~~found~~ on web-sites, including:
- (a) information that has been audited (for example the annual financial report);
  - (b) information which the auditor ~~may have~~ has reviewed (for example an interim financial report); ~~and~~
  - (c) the auditor's report(s);
  - (d) information with which the auditor has had no direct involvement, such as financial highlights ~~from~~ in an entity's annual report or other information the auditor may never have seen, such as presentations for analysts; ~~and. In addition, web sites typically contain~~
  - (e) a considerable amount of non-financial information.
- 4 Under the Corporations Act 2001 (the Act) as amended by the Corporations Legislation Amendment (Simpler Regulatory System) Act 2007 ~~enables~~ companies, registered schemes and disclosing

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<sup>1</sup> Section 314 (1) (IAB) states:

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entities may choose to meet, ~~subject to certain conditions,~~ their statutory reporting obligations to ~~shareholders-members~~ by distributing annual financial ~~statements-reports, including the concise report, and certain other reports~~<sup>2</sup> electronically. Alternatively, ~~the Act provides for disclosing~~ entities wishing to ~~may post-publish~~ their financial reports, including the concise report, on their web-site, ~~and accordingly advise shareholders of the electronic availability of the financial report.~~ See section 314 (1AA) of the Act for details and requirements.

### Definitions

- 5 For the purposes of this Guidance Statement, the term electronic publication includes the electronic distribution of documents.
- 6 For purposes of this Guidance Statement, the term management should be read hereafter as management, or where appropriate, those charged with governance.

### The Auditor's Considerations when the Auditor's Report is Electronically Published - of Electronically Publication of the Auditor's Report

- 7 The electronic publication of the audited financial report and the auditor's report on a website raise issues that affect the auditor's professional responsibilities. The requirements under of the Australian Auditing Standards do not differ according to whether the audited financial report and the auditor's report are distributed to members in hard copy format or electronic copy format. However, in the latter case, the auditor considers performing additional procedures in response to the nature of electronic publication.

The following paragraphs ~~include~~ provide application guidance on relevant requirements of the Auditing Standards ~~show the auditor addresses these issues.~~

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"For the purposes of paragraph (1AA)(a), a company, registered scheme or disclosing entity must, on at least one occasion, directly notify in writing each member that:

- (a) the member may elect to receive, free of charge, a copy of the reports for each financial year, or a copy of the concise report for each financial year; and
- (b) if the member does not so elect the member may access the reports, or the concise report, on a specified web site; and
- (c) if the member does so elect and the company, scheme or entity offers to send the report either as a hard copy or an electronic copy the member may elect to receive the copy as either a hard copy or an electronic copy."

<sup>2</sup> Other reports include Concise Financial Reports.

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**Terms of Engagement**

8 Under ASA 210 *Agreeing the Terms of Audit Engagements*, the auditor is required to obtain the agreement of management, and where appropriate, those charged with governance, that it acknowledges and understands its responsibility for the preparation of the financial report. By implication, this responsibility includes the distribution and publication, regardless of method, of the audited financial report and the auditor's report.,

9 In order to clarify responsibilities, the auditor may include in the engagement letter details regarding responsibilities and internal control in relation to the electronic distribution and publication of the audited financial reports and the auditor's report. The engagement letter may include, for example, acknowledgements that:

- (a) the electronic presentation of the audited financial report and auditor's report is the responsibility of those charged with governance;
- (b) security and controls over information on the entity's website are the responsibility of the entity; and
- (c) the examination of controls over the electronic presentation of audited financial information on the entity's website is beyond the scope of the audit of the financial report.

Appendix 1 contains an example of an additional paragraph that may be included in an engagement letter.

**Communications**

10 ASA 260 *Communications with Those Charged with Governance*, provides an overarching framework for the auditor's effective two-way communication with those charged with governance; and identifies some specific matters to be communicated with them.

11 The auditor discusses with those charged with governance how the audited financial report and the auditor's report will be published or distributed in electronic form. Particular attention must be paid to compliance with the Act (where applicable) and minimising the risk that the auditor's report is inappropriately associated with other information.

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**Representations**

- 12 Under ASA 580 *Written Representations*, the auditor is required to obtain written representations from management that it has fulfilled its responsibility for the preparation of the financial report. By implication this responsibility covers distribution and publication of the audited financial report and the auditor's report regardless of whether it is in hard copy or electronic copy form.
- 13 When financial reporting is under the Act, management is required to comply with the reporting requirements of the Act. See, for example, section 314 (1AA) which relates to the electronic distribution and publication of financial reports.
- 14 Accordingly and in the case of electronic publication of the audited financial report and the auditor's report, the auditor obtains written representations that management acknowledges its responsibility for the electronic presentation of the audited financial report and the auditor's report.
- 15 Under ASA 580, paragraph 13, the auditor may determine that written representations are necessary to support other audit evidence relevant to the financial report. Accordingly, the auditor may request written representations that:
- (a) the electronic version of the audited financial report and auditor's report published on the website are identical to the final signed version of the audited financial report and auditor's report;
  - (b) management has in place a process to clearly differentiate between audited and unaudited information on the entity's website and understands the risk of potential misrepresentation;
  - (c) management has assessed the controls over audited financial information and the auditor's report and is satisfied that procedures in place are adequate to ensure the integrity of the information provided;
  - (d) where the auditor's report on the full financial report is provided on the website, the financial report is also provided in full; and

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- (e) where applicable, management has complied with the requirements of the Act with respect to the electronic presentation of the audited financial reports.

Appendix 2 contains an example of an additional paragraph that may be included in a written representation letter.

**Auditor's Report**

- 16 The auditor is not required to provide a separate auditor's report for the electronic presentation of an audited financial report on an entity's website.
- 17 The auditor may consider including an "Other Matter Paragraph" in the auditor's report which advises readers that the report refers only to the statements named in the auditor's report and does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial report. See ASA 706 *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*.

Appendix 3 contains an example of an "Other Matter Paragraph" that may be included in an auditor's report.

- 18 If the auditor's report is used without the auditor's consent, and the auditor has concerns about the electronic presentation of the audited financial report or the auditor's report and appropriate action is not taken by management, the auditor seeks legal advice as necessary. The auditor also considers whether it would be appropriate to resign, where possible under applicable law or regulation.

**Other Information**

- 19 The Auditing Standards require particular attention when the audited financial report and auditor's report are published with other information - which is common practice on internet websites.
- 20 Under ASA 700 *Forming an Opinion and Reporting on a Financial Report*, when unaudited supplementary information that is not required by the applicable financial reporting framework is presented with the audited financial report, the auditor is required to evaluate whether such supplementary information is clearly differentiated from the audited financial report

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- (a) If such supplementary information is not clearly differentiated from the audited financial report, the auditor asks management to change how the unaudited supplementary information is presented.
- (b) If management refuses to do so, the auditor explains in the auditor's report that such supplementary information has not been audited. Such explanation is contained in an "Other Matter Paragraph" under ASA 706.
- (c) Techniques that may be used to differentiate material within a website include:
- Icons or watermarks.
  - Colour borders.
  - Labels/banners such as "annual report" or "audited financial statements".
- 21 The appropriate mode of differentiation between audited and unaudited information will be dependent on the electronic format selected, and the nature of other information published on the website.
- 22 The auditor remains alert to unaudited supplementary information that is not required by the applicable financial reporting framework, but is nevertheless an integral part of the financial report because it cannot be clearly differentiated from the audited financial report due to its nature and how it is presented. Such information is covered by the auditor's opinion. See ASA 700, paragraph 47.
- 23 Under ASA 720 *The Auditor's Responsibilities Relating to Other Information in Documents Containing an Audited Financial Report*, the auditor establishes that the auditor's report is not inappropriately associated with other information. The auditor's objective is to respond appropriately when documents containing an audited financial report and the auditor's report thereon include other information that could undermine the credibility of that financial report and the auditor's report.
- 24 An important requirement of ASA 720 is for the auditor to make arrangements with management to obtain the other information prior to the date of the auditor's report.

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~~25~~ Where a material inconsistency is identified in the other information and management refuse to revise that information, the auditor is required to include in the auditor's report an "Other Matter Paragraph" describing the material inconsistency in accordance with ASA 706. See ASA 720, paragraph 10(a).

~~6~~ Auditing Standard ASA 700 The Auditor's Report on General Purpose Financial Report, requires the auditor to:

- ~~—issue a report containing an expression of an auditor's opinion on the financial report; and~~
- ~~—be satisfied that any supplementary information presented together with the financial report that is not covered by the auditor's opinion is clearly differentiated from the audited financial report.~~

~~Thereafter, management and those charged with governance are responsible to ensure that the portable document format (PDF) version of audited financial report is duly posted on the entity's website.~~

~~7~~ The auditor establishes that the auditor's report on the financial report is not inappropriately associated with other information. Under Auditing Standard ASA 720 Other Information in Documents Containing Audited Financial Reports<sup>3</sup>, the auditor is required to be satisfied that audited information is distinguished from other information in a manner appropriate to the electronic format used by the entity. Techniques that may be used to differentiate material within a web site include:

- ~~—Icons or watermarks.~~
- ~~—Colour borders.~~
- ~~—Labels/banners such as 'annual report' or 'audited financial statements'.~~

~~The appropriate mode of differentiation between audited and unaudited information will be dependent on the electronic format selected, and the nature and extent of other information presented on the web site.~~  
Engagement Letter

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<sup>3</sup> ~~ASA 720 establishes mandatory requirements and provides explanatory guidance on the auditor's consideration of other information, on which the auditor has no obligation to report, in documents containing audited financial reports.~~

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~~8. At the time of engagement and during the course of the audit, the auditor discusses with management or, where appropriate, the audit committee<sup>4</sup> how the financial report and auditor's report will be presented on the entity's web site with a view to minimising the possibility that the auditor's report is inappropriately associated with other information.~~

~~9. In an engagement letter<sup>5</sup>, issued in accordance with Auditing Standard ASA 210 Terms of Audit Engagements, the auditor may clarify the entity's responsibilities for control issues relevant to electronic information by including clear statements that:~~

~~(a) the electronic presentation of the audited financial report and auditor's report is the responsibility of those charged with governance and management; and~~

~~(b) the examination of the controls over the electronic presentation of audited financial information on the entity's web site is beyond the scope of the audit of the financial report.~~

**Management Representation**

~~10. In accordance with Auditing Standard ASA 580 Management Representations, the auditor considers the need to obtain specific representations from management<sup>6</sup> that:~~

~~(a) the electronic presentation of the financial report is management's responsibility;~~

~~(b) the electronic version of the audited financial report and auditor's report presented on the web site are identical to the final signed version of the audited financial report and auditor's report;~~

~~(c) management has clearly differentiated between audited and unaudited information in the construction of the entity's web site and understands the risk of potential misrepresentation;~~

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<sup>4</sup> Refer to Auditing Standard ASA 260 *Communication of Audit Matters with those Charged With Governance* for mandatory requirements and explanatory guidance on communication of audit matters arising from an audit engagement.

<sup>5</sup> Refer to Auditing Standard ASA 210 and Appendix 1 of this Guidance Statement for an example of a paragraph that may be included in an engagement letter or other suitable form of engagement contract, regarding the electronic presentation of an audited financial report.

<sup>6</sup> Refer to Appendix 2 of this Guidance Statement for an example of a paragraph that may be included in a management representation letter regarding the electronic presentation of an audited financial report.

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(d) management has assessed the security controls over audited financial information and the auditor's report and is satisfied that procedures in place are adequate to ensure the integrity of the information provided; and

(e) where the auditor's report on the full financial report is provided on the web site, the financial report is also provided in full.

### Auditor's Report

~~13~~ The auditor is not required to provide a separate auditor's report for the electronic presentation of an audited financial report on an entity's web site. The auditor may consider including an additional paragraph<sup>7</sup> in the auditor's report which advises readers that the report refers only to the statements named in the auditor's report and does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial report. If the auditor is not satisfied with the proposed electronic presentation of the audited financial report and auditor's report, the auditor requests that the presentation be amended. If the presentation is not amended the auditor will, in accordance with the terms of the engagement, not give consent for the electronic release of the auditor's report.

If the auditor's report is used without the auditor's consent, and the auditor has concerns about the electronic presentation of the audited financial report or the auditor's report and appropriate action is not taken by those charged with governance, the auditor seeks legal advice as necessary. The auditor also considers whether it would be appropriate to resign.

### Conformity with International Pronouncements

~~626~~ There is no equivalent International Auditing Practice Statement (IAPS) to this Guidance Statement.

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<sup>7</sup> Refer to Appendix 3 of this Guidance Statement for an example of an additional paragraph that may be included in an auditor's report regarding the electronic presentation of the audited financial report.

## Appendix 1

(Ref: Para. 8)

**EXAMPLE OF AN ADDITIONAL PARAGRAPH THAT MAY BE INCLUDED IN AN ENGAGEMENT LETTER WHEN THE AUDITED FINANCIAL REPORT IS ELECTRONICALLY ~~PRESENTED~~ PUBLISHED ON AN ENTITY'S WEB-SITE**

~~An example of an additional paragraph that may be included in an engagement letter when the audited financial report is electronically presented on a corporate entity's web site is set out below. Also refer to Auditing Standard ASA 210 Terms of Audit Engagement.~~

**Electronic ~~Presentation~~ Publication of Audited Financial Report**

It is our understanding that the [type of entity] intends to electronically present the audited financial report and auditor's report on its internet web-site. ~~Responsibility for the electronic presentation of the financial report on the [type of entity's] website is that of management [or appropriate term] of the [type of entity]. When information is presented electronically on a web site,~~ the security and controls over information on the web-site should be addressed by the [type of entity] to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of audited financial report(s) on the [type of entity's] web-site is beyond the scope of the audit of the financial report. ~~Responsibility for the electronic presentation of the financial report on the entity's web site is that of the governing body of the entity.~~

## Appendix 2

(Ref: Para. 14)

**EXAMPLE OF AN ADDITIONAL PARAGRAPH THAT MAY BE INCLUDED IN A MANAGEMENT REPRESENTATION LETTER WHEN THE AUDITED FINANCIAL REPORT IS ELECTRONICALLY PRESENTED-PUBLISHED ON AN ENTITY'S WEB-SITE**

~~Electronic An example of an additional paragraph that may be included in a management representation letter when the audited financial report is electronically presented on a corporate entity's web site is set out below.~~

**Publication on a Wweb-sSite**

With respect to publication of the audited financial report on our website, we acknowledge that:

- (a) we are responsible for the electronic presentation of the audited financial report;
- (b) we ~~w~~still ensure that the electronic version of the audited financial report and the auditor's report on the web-site will be identical to the final signed hard copy version;
- (c) we will clearly differentiate between audited and unaudited information in the construction of the entity's web-site as we understand the risk of potential misrepresentation;
- (d) we have assessed the controls over the security and integrity of the data on the web-site and that adequate procedures are in place to ensure the integrity of the information published; ~~and~~
- (e) we will not present the auditor's report on the full financial report with extracts only of the full financial report-; and
- (f) where applicable, we have complied with the requirements of the Corporations Act 2001 with respect to the electronic presentation of the audited financial reports.

### Appendix 3

(Ref: Para. 16)

**EXAMPLE OF AN ~~ADDITIONAL-OTHER MATTER~~ PARAGRAPH THAT MAY BE INCLUDED IN AN AUDITOR'S REPORT WHEN THE AUDITED FINANCIAL REPORT IS ELECTRONICALLY ~~PRESENTED-PUBLISHED~~ ON AN ENTITY'S WEB-SITE**

~~An example of an additional paragraph that may be included in an auditor's report when the audited financial report is electronically presented on a corporate entity's web site is set out below.~~

**Matters Relating to the Electronic ~~Presentation-Publication~~ of the Audited Financial Report**

This auditor's report relates to the financial report of [name of entity] for the year ended 30 June 20X1~~X~~ included on [name of entity's] web-site. The [~~type of company/registered scheme/disclosing~~ entity]'s directors [~~or appropriate term~~] are responsible for the integrity of ~~the~~ [name of entity's] web-site. We have not been engaged to report on the integrity of the [name of entity's] web-site. The auditor's report refers only to the ~~statements-subject matter named-described~~ above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of ~~this-the financial~~ report are concerned with the inherent risks arising from ~~electronic data communications~~ publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information ~~included-contained in the-this website version of the financial report~~ audited financial report presented on this web site.