

ASA 805

(January 2025)

Auditing Standard ASA 805
***Special Considerations – Audits of Single
Financial Statements and Specific
Elements, Accounts or Items of a Financial
Statement***

Issued by the Auditing and Assurance Standards Board



Australian Government

Auditing and Assurance Standards Board

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PREFACE

Reasons for Issuing ASA 805

The AUASB issues Auditing Standard ASA 805 *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB is an independent statutory committee of the Australian Government established under section 227A of the *Australian Securities and Investments Commission Act 2001*, as amended (ASIC Act). Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislative Instruments Act 2003*.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required, inter alia, to develop auditing standards that have a clear public interest focus and are of the highest quality.

The amendments are consistent with changes made by the International Auditing and Assurance Standards Board (IAASB) on the issuing of International Standard on Sustainability Assurance ISSA 5000 *General Requirements for Sustainability Assurance Engagements*.

Main Features

This Auditing Standard represents the Australian equivalent of revised ISA 805 *Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* and will replace the current ASA 805 issued by the AUASB in May 2017.

This Auditing Standard contains differences from the revised ISA 805, which have been made to accord with the Australian legislative environment and to maintain audit quality where the AUASB has considered there are compelling reasons to do so.

AUTHORITY STATEMENT

The Auditing and Assurance Standards Board (AUASB) formulates this Auditing Standard ASA 805 *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement*, pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001*.

This Auditing Standard is to be read in conjunction with ASA 101 *Preamble to Australian Auditing Standards*, which sets out how AUASB Standards are to be understood, interpreted and applied. This Auditing Standard is to be read also in conjunction with ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards*.

Dated: 28 January 2025

Doug Niven
Chair – AUASB

Conformity with International Standards on Auditing

This Auditing Standard conforms with International Standard on Auditing ISA 805 *Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement* issued by the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board of the International Federation of Accountants (IFAC).

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”.

This Auditing Standard incorporates terminology and definitions used in Australia.

Compliance with this Auditing Standard enables compliance with ISA 805.

AUDITING STANDARD ASA 805

Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement

Application

- Aus 0.1 This Auditing Standard applies to an audit of a single financial statement, or a specific element, account, or item of a financial statement.
- Aus 0.2 This Auditing Standard also applies, as appropriate, to an audit of other historical financial information.

Operative Date

- Aus 0.3 This Auditing Standard is operative for financial reporting periods ending on or after 1 January 2025. In the case of audits of single financial statements or of specific elements, accounts or items of a financial statement at a specific date, this auditing standard is effective for audits of such information as at a date on or after 1 January 2025.

Introduction

Scope of this Auditing Standard

1. The Australian Standards on Auditing in the 100–700 series apply to an audit of a financial report and are to be adapted as necessary in the circumstances when applied to audits of other historical financial information. This Auditing Standard deals with special considerations in the application of those Australian Auditing Standards to an audit of a single financial statement or of a specific element, account or item of a financial statement. The single financial statement or the specific element, account or item of a financial statement may be prepared in accordance with a general or special purpose framework. If prepared in accordance with a special purpose framework, ASA 800¹ also applies to the audit.
(Ref: Para. A1–A4)
2. This Auditing Standard does not apply to the report of a component auditor, issued as a result of work performed on the financial information of a component at the request of a group engagement team for purposes of an audit of a group financial report (see ASA 600).²
3. This Auditing Standard does not override the requirements of the other Australian Auditing Standards; nor does it purport to deal with all special considerations that may be relevant in the circumstances of the engagement.

Effective Date

4. [Deleted by the AUASB. Refer Aus 0.3]

Objective

5. The objective of the auditor, when applying Australian Auditing Standards in an audit of a single financial statement or of a specific element, account or item of a financial statement, is to address appropriately the special considerations that are relevant to:

¹ ASA 800 *Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks*.

² ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)*.

- (a) The acceptance of the engagement;
- (b) The planning and performance of that engagement; and
- (c) Forming an opinion and reporting on the single financial statement or on the specific element, account or item of a financial statement.

Definitions

6. For purposes of this Auditing Standard, reference to:

- (a) “Element of a financial statement” or “element” means an “element, account or item of a financial statement;”
- (b) “Australian Accounting Standards” means the Australian Accounting Standards issued by the Australian Accounting Standards Board; and
- (c) A single financial statement or to a specific element of a financial statement includes the related disclosures. (Ref: Para. A2)

Requirements

Considerations When Accepting the Engagement

Application of Australian Auditing Standards

7. ASA 200 requires the auditor to comply with all Australian Auditing Standards relevant to the audit.³ In the case of an audit of a single financial statement or of a specific element of a financial statement, this requirement applies irrespective of whether the auditor is also engaged to audit the entity’s financial report. If the auditor is not also engaged to audit the entity’s financial report, the auditor shall determine whether the audit of a single financial statement or of a specific element of those financial statements in accordance with Australian Auditing Standards is practicable. (Ref: Para. A5–A6)

Acceptability of the Financial Reporting Framework

8. ASA 210 requires the auditor to determine the acceptability of the financial reporting framework applied in the preparation of the financial report.⁴ In the case of an audit of a single financial statement or of a specific element of a financial statement, this shall include whether application of the financial reporting framework will result in a presentation that provides adequate disclosures to enable the intended users to understand the information conveyed in the financial statement or the element, and the effect of material transactions and events on the information conveyed in the financial statement or the element. (Ref: Para. A7)

Form of Opinion

9. ASA 210 requires that the agreed terms of the audit engagement include the expected form of any reports to be issued by the auditor.⁵ In the case of an audit of a single financial statement or of a specific element of a financial statement, the auditor shall consider whether the expected form of opinion is appropriate in the circumstances. (Ref: Para. A8–A9)

³ See ASA 200 *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing*, paragraph 18.

⁴ See ASA 210 *Agreeing the Terms of Audit Engagements*, paragraph 6(a).

⁵ See ASA 210, paragraph 10(e).

Considerations When Planning and Performing the Audit

10. ASA 200 states that Australian Auditing Standards are written in the context of an audit of a financial report; they are to be adapted as necessary in the circumstances when applied to audits of other historical financial information.^{6,7} In planning and performing the audit of a single financial statement or of a specific element of a financial statement, the auditor shall adapt all Australian Auditing Standards relevant to the audit as necessary in the circumstances of the engagement. (Ref: Para. A10–A14)

Forming an Opinion and Reporting Considerations

11. When forming an opinion and reporting on a single financial statement or on a specific element of a financial statement, the auditor shall apply the requirements in ASA 700,⁸ and, when applicable, ASA 800 adapted as necessary in the circumstances of the engagement. (Ref: Para. A16–A22)

Reporting on the Entity's Financial Report and on a Single Financial Statement or on a Specific Element of those Financial Statements

12. If the auditor undertakes an engagement to report on a single financial statement or on a specific element of a financial statement in conjunction with an engagement to audit the entity's financial report, the auditor shall express a separate opinion for each engagement.
13. The audited single financial statement or the audited specific element of a financial statement may be published together with the entity's audited financial report. If the auditor concludes that the presentation of the single financial statement or of the specific element of a financial statement does not differentiate it sufficiently from the financial report, the auditor shall ask management to rectify the situation. Subject to paragraphs 15 and 16, the auditor shall also differentiate the opinion on the single financial statement or on the specific element of a financial statement from the opinion on the financial report. The auditor shall not issue the auditor's report containing the opinion on the single financial statement or on the specific element of a financial statement until satisfied with the differentiation.

Considering the Implications of Certain Matters Included in the Auditor's Report on the Entity's Financial Report for the Audit of the Single Financial Statement or the Specific Element of a Financial Statement and for the Auditor's Report Thereon

14. If the auditor's report on an entity's financial report includes:
- (a) A modified opinion in accordance with ASA 705;⁹
 - (b) An Emphasis of Matter paragraph or an Other Matter paragraph, in accordance with ASA 706;¹⁰
 - (c) A Material Uncertainty Related to Going Concern section in accordance with ASA 570;¹¹
 - (d) Communication of key audit matters in accordance with ASA 701;¹² or

⁶ See ASA 200, paragraph 2.

⁷ See ASA 200, paragraphs Aus 13.1 and Aus 13.2.

⁸ ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

⁹ ASA 705 *Modifications to the Opinion in the Independent Auditor's Report*.

¹⁰ ASA 706 *Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report*.

¹¹ See ASA 570 *Going Concern*, paragraph 22.

¹² See ASA 701 *Communicating Key Audit Matters in the Independent Auditor's Report*, paragraph 13.

- (e) A statement that describes an uncorrected material misstatement of the other information in accordance with ASA 720;¹³

the auditor shall consider the implications, if any, that these matters have for the audit of the single financial statement or of the specific element of a financial statement and for the auditor's report thereon. (Ref: Para. A23–A27)

Adverse Opinion or Disclaimer of Opinion in the Auditor's Report on the Entity's Financial report

15. If the auditor concludes that it is necessary to express an adverse opinion or disclaim an opinion on the entity's financial report as a whole, ASA 705 does not permit the auditor to include in the same auditor's report an unmodified opinion on a single financial statement that forms part of that financial report or on a specific element of that financial report.¹⁴ This is because such an unmodified opinion would contradict the adverse opinion or disclaimer of opinion on the entity's financial report as a whole. (Ref: Para. A28)
16. If the auditor concludes that it is necessary to express an adverse opinion or disclaim an opinion on the entity's financial report as a whole but, in the context of a separate audit of a specific element of those financial statements, the auditor nevertheless considers it appropriate to express an unmodified opinion on that element, the auditor shall only do so if:
- (a) The auditor is not prohibited by law or regulation from doing so;
 - (b) That opinion is expressed in an auditor's report that is not published together with the auditor's report containing the adverse opinion or disclaimer of opinion; and
 - (c) The element does not constitute a major portion of the entity's financial report.
17. The auditor shall not express an unmodified opinion on a single financial statement of a financial report if the auditor has expressed an adverse opinion or disclaimed an opinion on the financial report as a whole. This is the case even if the auditor's report on the single financial statement is not published together with the auditor's report containing the adverse opinion or disclaimer of opinion. This is because a single financial statement is deemed to constitute a major portion of that financial report.

* * *

¹³ See ASA 720 *The Auditor's Responsibilities Relating to Other Information*, paragraph 22(e)(ii).

¹⁴ See ASA 705, paragraph 15.

Application and Other Explanatory Material

Scope of this Auditing Standard (Ref: Para. 1, 6(c))

- A1. ASA 200 defines the term “historical financial information” as information expressed in financial terms in relation to a particular entity, derived primarily from that entity’s accounting system, about economic events occurring in past time periods or about economic conditions or circumstances at points in time in the past.¹⁵
- A2. ASA 200 defines the term “financial statements” as a structured representation of historical financial information, including disclosures, intended to communicate an entity’s economic resources or obligations at a point in time or the changes therein for a period of time in accordance with a financial reporting framework. The term “financial statements” ordinarily refers to a complete set of financial statements as determined by the requirements of the applicable financial reporting framework, but can also refer to a single financial statement. Disclosures comprise explanatory or descriptive information, set out as required, expressly permitted or otherwise allowed by the applicable financial reporting framework, on the face of a financial statement, or in the notes, or incorporated therein by cross-reference.¹⁶ As noted in paragraph 6(c), reference to a single financial statement or specific element of a financial statement includes the related disclosures.
- A3. Australian Auditing Standards are written in the context of an audit of a financial report;¹⁷ they are to be adapted as necessary in the circumstances when applied to an audit of other historical financial information, such as a single financial statement or a specific element of a financial statement. This Auditing Standard assists in this regard. (Appendix 1 lists examples of such other historical financial information.)
- A4. A reasonable assurance engagement other than an audit of historical financial information is performed in accordance with Australian Standard on Assurance Engagements (ASAE) 3000¹⁸ or ASSA 5000,¹⁹ as applicable.

Considerations When Accepting the Engagement

Application of Australian Auditing Standards (Ref: Para. 7)

- A5. [Deleted by the AUASB. Refer Aus A5.1]

- Aus A5.1 ASA 200 requires the auditor to comply with (a) relevant ethical requirements, including those pertaining to independence, relating to financial report audit engagements, and (b) all Australian Auditing Standards relevant to the audit. It also requires the auditor to comply with each requirement of an Australian Auditing Standard unless, in the circumstances of the audit, the entire Auditing Standard is not relevant or the requirement is not relevant because it is conditional and the condition does not exist, or application of the requirement(s) would relate to classes of transactions, account balances or disclosures that the auditor has determined are immaterial. In rare and exceptional circumstances, when there are factors outside the auditor’s control that prevent the auditor from complying with a requirement, the auditor, where possible, performs appropriate alternative audit procedures.²⁰
- A6. Compliance with the requirements of Australian Auditing Standards relevant to the audit of a single financial statement or of a specific element of a financial statement may not be practicable when the auditor is not also engaged to audit the entity’s financial report. In such

¹⁵ See ASA 200, paragraph 13(g).

¹⁶ See ASA 200, paragraph 13(f).

¹⁷ See ASA 200, paragraph 2.

¹⁸ ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

¹⁹ Australian Standard on Sustainability Assurance (ASSA) 5000, *General Requirements for Sustainability Assurance Engagements*

²⁰ See ASA 200, paragraphs 14, 18, 22, 23 and Aus 23.1.

cases, the auditor often does not have the same understanding of the entity and its environment, including its internal control, as an auditor who also audits the entity's financial report. The auditor also does not have the audit evidence about the general quality of the accounting records or other accounting information that would be acquired in an audit of the entity's financial report. Accordingly, the auditor may need further evidence to corroborate audit evidence acquired from the accounting records. In the case of an audit of a specific element of a financial statement, certain Australian Auditing Standards require audit work that may be disproportionate to the element being audited. For example, although the requirements of ASA 570 are likely to be relevant in the circumstances of an audit of a schedule of accounts receivable, complying with those requirements may not be practicable because of the audit effort required. If the auditor concludes that an audit of a single financial statement or of a specific element of a financial statement in accordance with Australian Auditing Standards may not be practicable, the auditor may discuss with management whether another type of engagement might be more practicable.

Acceptability of the Financial Reporting Framework (Ref: Para. 8)

- A7. A single financial statement or a specific element of a financial statement may be prepared in accordance with an applicable financial reporting framework that is based on a financial reporting framework established by an authorised or recognised standards setting organisation for the preparation of a complete set of financial statements (for example, Australian Accounting Standards). If this is the case, determination of the acceptability of the applicable framework may involve considering whether that framework includes all the requirements of the framework on which it is based that are relevant to the presentation of a single financial statement or of a specific element of a financial statement that provides adequate disclosures.

Form of Opinion (Ref: Para. 9)

- A8. The form of opinion to be expressed by the auditor depends on the applicable financial reporting framework and any applicable laws or regulations.²¹ In accordance with ASA 700:²²
- (a) When expressing an unmodified opinion on a financial report prepared in accordance with a fair presentation framework, the auditor's opinion, unless otherwise required by law or regulation, uses one of the following phrases:
 - (i) the financial report presents fairly, in all material respects, in accordance with [the applicable financial reporting framework]; or
 - (ii) the financial report gives a true and fair view in accordance with [the applicable financial reporting framework]; and
 - (b) When expressing an unmodified opinion on a financial report prepared in accordance with a compliance framework, the auditor's opinion states that the financial report is prepared, in all material respects, in accordance with [the applicable financial reporting framework].
- A9. In the case of a single financial statement or of a specific element of a financial statement, the applicable financial reporting framework may not explicitly address the presentation of the financial statement or of the specific element of the financial statement. This may be the case when the applicable financial reporting framework is based on a financial reporting framework established by an authorised or recognised standards setting organisation for the preparation of a complete set of financial statements (for example, Australian Accounting Standards). The auditor therefore considers whether the expected form of opinion is appropriate in the light of the applicable financial reporting framework. Factors that may affect the auditor's

²¹ See ASA 200, paragraph 8.

²² See ASA 700, paragraphs 25–26.

consideration as to whether to use the phrases “presents fairly, in all material respects,” or “gives a true and fair view” in the auditor’s opinion include:

- Whether the applicable financial reporting framework is explicitly or implicitly restricted to the preparation of a financial report.
- Whether the single financial statement or the specific element of a financial statement will:
 - Comply fully with each of those requirements of the framework relevant to the particular financial statement or the particular element, and the presentation of the financial statement or the specific element of a financial statement include the related disclosures.
 - If necessary to achieve fair presentation, provide disclosures beyond those specifically required by the framework or, in exceptional circumstances, depart from a requirement of the framework.

The auditor’s decision as to the expected form of opinion is a matter of professional judgement. It may be affected by whether use of the phrases “presents fairly, in all material respects,” or “gives a true and fair view” in the auditor’s opinion on a single financial statement or on a specific element of a financial statement prepared in accordance with a fair presentation framework is generally accepted in the particular jurisdiction.

Considerations When Planning and Performing the Audit (Ref: Para. 10)

- A10. The relevance of each of the Australian Auditing Standards requires careful consideration. Even when only a specific element of a financial statement is the subject of the audit, Australian Auditing Standards such as ASA 240,²³ ASA 550²⁴ and ASA 570 are, in principle, relevant. This is because the element could be misstated as a result of fraud, the effect of related party transactions, or the incorrect application of the going concern basis of accounting under the applicable financial reporting framework.
- A11. ASA 260 requires the auditor to determine the appropriate person(s) within the entity’s governance structure with whom to communicate.²⁵ ASA 260 notes that, in some cases, all of those charged with governance are involved in managing the entity, and the application of communication requirements is modified to recognise this position.²⁶ When a financial report is also prepared by the entity, those person(s) responsible for the oversight of the preparation of the single financial statement or the element may not be the same as those charged with governance responsible for the oversight of the preparation of the financial report.
- A12. Furthermore, Australian Auditing Standards are written in the context of an audit of a financial report; they are to be adapted as necessary in the circumstances when applied to the audit of a single financial statement²⁷ or of a specific element of a financial statement. For example, written representations from management about the financial report would be replaced by written representations about the presentation of the financial statement or the element in accordance with the applicable financial reporting framework.
- A13. Matters included in the auditor’s report on the financial report may have implications for the audit of a single financial statement or of an element of a financial statement (see paragraph 14). When planning and performing an audit of a single financial statement or a specific element of a financial statement in conjunction with the audit of the entity’s financial report, the auditor may be able to use audit evidence obtained as part of the audit of the

²³ ASA 240 *The Auditor’s Responsibilities Relating to Fraud in an Audit of a Financial Report*.

²⁴ ASA 550 *Related Parties*.

²⁵ See ASA 260 *Communication with Those Charged with Governance*, paragraph 11.

²⁶ See ASA 260, paragraph 10(b), 13, A1 (third bullet), A2 and A8.

²⁷ See ASA 200, paragraph 2.

financial report in the audit of the financial statement or the element. Australian Auditing Standards, however, require the auditor to plan and perform the audit of the financial statement or element to obtain sufficient appropriate audit evidence on which to base the opinion on the financial statement or on the element.

- A14. The individual financial statements that comprise a financial report, and many of the specific elements of that financial report, including their related disclosures, are interrelated. Accordingly, when auditing a single financial statement or a specific element of a financial statement, the auditor may not be able to consider the financial statement or the element in isolation. Consequently, the auditor may need to perform procedures in relation to the interrelated items to meet the objective of the audit.
- A15. Furthermore, the materiality determined for a single financial statement or for a specific element of a financial statement may be lower than the materiality determined for the entity's financial report; this will affect the nature, timing and extent of the audit procedures and the evaluation of uncorrected misstatements.

Forming an Opinion and Reporting Considerations (Ref: Para. 11)

- A16. ASA 700 requires the auditor, in forming an opinion, to evaluate whether the financial report provides adequate disclosures to enable the intended users to understand the effect of material transactions and events on the information conveyed in the financial report.²⁸ In the case of a single financial statement or of a specific element of a financial statement, it is important that the financial statement or the element, in view of the requirements of the applicable financial reporting framework, provides adequate disclosures to enable the intended users to understand the information conveyed in the financial statement or the element, and the effect of material transactions and events on the information conveyed in the financial statement or the element.
- A17. Appendix 2 contains illustrations of independent auditor's reports on a single financial statement and on a specific element of a financial statement. Other illustrations of auditor's reports may be relevant to reporting on a single financial statement or on a specific element of a financial statement (see, for example, the Appendices to ASA 700, ASA 705, ASA 570, ASA 720, and ASA 706).

Application of ASA 700 When Reporting on a Single Financial Statement or on a Specific Element of a Financial Statement

- A18. Paragraph 11 of this Auditing Standard explains that the auditor is required to apply the requirements in ASA 700, adapted as necessary in the circumstances of the engagement, when forming an opinion and reporting on a single financial statement or on a specific element of a financial statement. In doing so, the auditor is also required to apply the reporting requirements in other Australian Auditing Standards adapted as necessary in the circumstances of the engagement, and may find the considerations addressed in paragraphs A19–A21 below helpful.

Going Concern

- A19. Depending on the applicable financial reporting framework used in the preparation of the single financial statement or the specific element of a financial statement, the description in the auditor's report of management's responsibilities²⁹ relating to going concern may need to be adapted as necessary. The description in the auditor's report of the auditor's responsibilities³⁰ may also need to be adapted as necessary depending on how ASA 570 applies in the circumstances of the engagement.

²⁸ See ASA 700, paragraph 13(e).

²⁹ See ASA 700, paragraphs 34(b) and A48.

³⁰ See ASA 700, paragraph 39(b)(iv).

Auditing Standard ASA 805

Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement

Key Audit Matters

- A20. ASA 700 requires the auditor to communicate key audit matters in accordance with ASA 701 for audits of a general purpose financial report of listed entities.³¹ For audits of a single financial statement or a specific element of a financial statement, ASA 701 only applies when communication of key audit matters in the auditor's report on such financial report or elements is required by law or regulation, or the auditor otherwise decides to communicate key audit matters. When key audit matters are communicated in the auditor's report on a single financial statement or a specific element of a financial statement, ASA 701 applies in its entirety.³²

Other Information

- A21. ASA 720 deals with the auditor's responsibilities relating to other information. In the context of this Auditing Standard, reports containing or accompanying the single financial statement or specific element of a financial statement—the purpose of which is to provide owners (or similar stakeholders) with information on matters presented in the single financial statement or the specific element of a financial statement—are considered to be annual reports for purposes of ASA 720. When the auditor determines that the entity plans to issue such a report, the requirements in ASA 720 apply to the audit of the single financial statement or the element.

Name of the Engagement Partner

- A22. [Deleted by the AUASB. Refer to Aus A22.1]

- Aus 22.1 The requirement in ASA 700 for the name of the engagement partner to be included in the auditor's report where required by law or regulation also applies to audits of single financial statements and specific elements, accounts or items of a financial statement.*

Reporting on the Entity's Financial report and on a Single Financial Statement or on a Specific Element of a Financial Statement (Ref: Para. 14)

Considering the Implications of Certain Matters Included in the Auditor's Report on the Entity's Financial Report for the Audit of the Single Financial Statement or the Specific Element of a Financial Statement and for the Auditor's Report Thereon

- A23. Paragraph 14 requires the auditor to consider the implications, if any, of certain matters included in the auditor's report on the financial report for the audit of the single financial statement or the specific element of a financial statement and for the auditor's report thereon. Considering whether a matter included in the auditor's report on a financial report is relevant in the context of an engagement to report on a single financial statement or a specific element of a financial statement involves professional judgement.
- A24. Factors that may be relevant in considering those implications include:
- The nature of the matter(s) being described in the auditor's report on the financial report and the extent to which it relates to what is included in the single financial statement or a specific element of a financial statement.
 - The pervasiveness of the matter(s) described in the auditor's report on the financial report.
 - The nature and extent of the differences between the applicable financial reporting frameworks.

³¹ See ASA 700, paragraph 30.

³² See ASA 700, paragraph 31.

* See ASA 700, paragraphs Aus 46.1, A61-A63.

- The extent of the difference between the period(s) covered by the financial report compared to the period(s) or dates of the single financial statement or the element of a financial statement.
 - The time elapsed since the date of the auditor's report on the financial report.
- A25. For example, in the case when there is a qualification of the auditor's opinion in relation to accounts receivable in the auditor's report on the financial report, and the single financial statement includes accounts receivable, or the specific element of a financial statement relates to accounts receivable, it is likely that there would be implications for the audit. On the other hand, if the qualification of the auditor's opinion on the financial report relates to classification of long-term debt, then it is less likely that there would be implications for an audit of the single financial statement that is the income statement, or if the specific element of the financial statement relates to accounts receivable.
- A26. Key audit matters that are communicated in the auditor's report on the financial report may have implications for an audit of a single financial statement or the specific element of the financial statement. The information included in the Key Audit Matters section about how the matter was addressed in the audit of the financial report may be useful to the auditor's determination of how to address the matter when it is relevant to the audit of the single financial statement or the specific element of the financial statement.

Inclusion of a reference to the auditor's report on the financial report

- A27. Even when certain matters included in the auditor's report on the financial report do not have implications for the audit of, or for the auditor's report on, the single financial statement or the specific element of a financial statement, the auditor may deem it appropriate to refer to the matter(s) in an Other Matter paragraph in an auditor's report on the single financial statement or on the specific element of a financial statement (see ASA 706).³³ For example, the auditor may consider it appropriate to refer in the auditor's report on the single financial statement or a specific element of the financial statement to a Material Uncertainty Related to Going Concern section included in the auditor's report on the financial report.

Adverse Opinion or Disclaimer of Opinion in the Auditor's Report on the Entity's Financial Report (Ref: Para. 15)

- A28. In the auditor's report on an entity's financial report, the expression of a disclaimer of opinion regarding the results of operations and cash flows, where relevant, and an unmodified opinion regarding the financial position is permitted since the disclaimer of opinion is being issued in respect of the results of operations and cash flows only and not in respect of the financial report as a whole.³⁴

³³ See ASA 706, paragraphs 10–11.

³⁴ See ASA 510 *Initial Audit Engagements—Opening Balances*, paragraph A8, and ASA 705, paragraph A16.

Appendix 1

(Ref: Para.A3)

Examples of Specific Elements, Accounts or Items of a Financial Statement

- Accounts receivable, allowance for doubtful accounts receivable, inventory, the liability for accrued benefits of a private superannuation plan, the recorded value of identified intangible assets, or the liability for “incurred but not reported” claims in an insurance portfolio, including related notes.
- A schedule of externally managed assets and income of a private superannuation plan, including related notes.
- A schedule of net tangible assets, including related notes.
- A schedule of disbursements in relation to a lease property, including explanatory notes.
- A schedule of profit participation or employee bonuses, including explanatory notes.

Appendix 2

(Ref: Para. A17)

Illustrations of Independent Auditor's' Reports on a Single Financial Statement and on a Specific Element of a Financial Statement

- Illustration 1: An auditor's report on a single financial statement of an entity other than a listed entity prepared in accordance with a general purpose framework (for purposes of this illustration, a fair presentation framework).
- Illustration 2: An auditor's report on a single financial statement of an entity other than a listed entity prepared in accordance with a special purpose framework (for purposes of this illustration, a fair presentation framework).
- Illustration 3: [Deleted by the AUASB. Refer [Aus] Illustration 3A.
- [Aus] Illustration 3A: An auditor's report on a specific element of a financial statement of an entity other than a listed entity prepared in accordance with a special purpose framework (for purposes of this illustration, a compliance framework).

**Example Auditor's Report
General Purpose – Financial Statement – Statement of
Financial Position
(Fair Presentation Framework)**

Illustration 1:

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

- Audit of a statement of financial position (that is, a single financial statement) of an entity other than a listed entity. The single financial statement is *not* prepared under the *Corporations Act 2001*.
- The statement of financial position has been prepared by management of the entity in accordance with the requirements of the Financial Reporting Framework in Jurisdiction X relevant to preparing a statement of financial position.
- The terms of the audit engagement reflect the description of management's responsibility for the financial report in ASA 210.
- The applicable financial reporting framework is a fair presentation framework designed to meet the common financial information needs of a wide range of users.
- The auditor has determined that it is appropriate to use the phrase "presents fairly, in all material respects," in the auditor's opinion.
- The relevant ethical requirements that apply to the audit are 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 exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with ASA 570. The disclosure of the material uncertainty in the single financial statement is adequate.
- The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with ASA 701 in the context of the audit of the statement of financial position.
- The auditor has determined that there is no other information (i.e., the requirements of ASA 720 do not apply).
- Those responsible for oversight of the financial statement differ from those responsible for the preparation of the financial statement.
- The auditor has no other reporting responsibilities required under law or regulation.

INDEPENDENT AUDITOR'S REPORT

[Appropriate Addressee]

Opinion

We have audited the statement of financial position of ABC Company (the Company) as at 31 December 20X1 and notes to the financial statement, including a summary of significant accounting policies (together "the financial statement").

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Company as at 31 December 20X1 in accordance with those requirements of the Financial Reporting Framework in Jurisdiction X relevant to preparing such a financial statement.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Company in accordance with the ethical requirements 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 statement in Australia, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 6 in the financial statement, which indicates that the Company incurred a net loss of ZZZ during the year ended 31 December 20X1 and, as of that date, the Company’s current liabilities exceeded its total assets by YYY. As stated in Note 6, these events or conditions, along with other matters as set forth in Note 6, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statement³⁵

Management is responsible for the preparation and fair presentation of the financial statement in accordance with those requirements of the Financial Reporting Framework in Jurisdiction X relevant to preparing such a financial statement, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company’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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole 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 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 this financial statement.

³⁵ 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.

Auditing Standard ASA 805

Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement

Paragraph 41(b) of ASA 700 explains that the shaded material below can be located in an Appendix to the auditor's report.

Paragraph 41(c) of ASA 700 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>

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, 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 entity's preparation and fair presentation of the financial statement 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 internal control.³⁶
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement 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.

[Signature]*

[Auditor's address]

[Date of the auditor's report][#]

³⁶ 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 statement.

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

[#] The auditor's report is dated as of the date the auditor signs that report.

**Example Auditor’s Report
Special Purpose – Financial Statement – Statement of
Cash Receipts and Disbursements
(Fair Presentation Framework)**

Illustration 2:

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

- Audit of a statement of cash receipts and disbursements (that is, a single financial statement) of an entity other than a listed entity. The single financial statement is *not* prepared under the *Corporations Act 2001*.
- An auditor’s report on the financial report was not issued.
- The financial statement has been prepared by management of the entity in accordance with the cash receipts and disbursements basis of accounting to respond to a request for cash flow information received from a creditor. Management has a choice of financial reporting frameworks.
- The applicable financial reporting framework is a fair presentation framework designed to meet the financial information needs of specific users.³⁷
- The auditor has concluded an unmodified (i.e., “clean”) opinion is appropriate based on the audit evidence obtained.
- The auditor has determined that it is appropriate to use the phrase “presents fairly, in all material respects,” in the auditor’s opinion.
- The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants*.
- Distribution or use of the auditor’s report is not restricted.
- 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 ASA 570.
- The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with ASA 701 in the context of the audit of the statement of cash receipts and disbursements.
- The auditor has determined that there is no other information (i.e., the requirements of ASA 720 do not apply).
- Management is responsible for the preparation of the financial statement and oversight of the financial reporting process to prepare this financial statement.
- The auditor has no other reporting responsibilities required under law or regulation.

³⁷ ASA 800 contains requirements and guidance on the form and content of a financial report prepared in accordance with a special purpose framework.

INDEPENDENT AUDITOR’S REPORT

[Appropriate Addressee]

Opinion

We have audited the statement of cash receipts and disbursements of ABC Company (the Company) for the year ended 31 December 20X1 and notes to the statement of cash receipts and disbursements, including a summary of significant accounting policies (together “the financial statement”).

In our opinion, the accompanying financial statement presents fairly, in all material respects, the cash receipts and disbursements of the Company for the year ended 31 December 20X1 in accordance with the cash receipts and disbursements basis of accounting described in Note X. .

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Company in accordance with the ethical requirements 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 statement in Australia, and we have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note X to the financial statement, which describes the basis of accounting. The financial statement is prepared to provide information to XYZ Creditor. As a result, the statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statement³⁸

Management is responsible for preparation and fair presentation of the financial statement in accordance with the cash receipts and disbursements basis of accounting described in Note X; this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company’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 or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole 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 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 this financial statement.

³⁸ Or other terms that are appropriate in the context of the legal framework in the particular jurisdiction.

Auditing Standard ASA 805

Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement

Paragraph 41(b) of ASA 700 explains that the shaded material below can be located in an Appendix to the auditor's report.

Paragraph 41(c) of ASA 700 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>

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, 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 internal control.³⁹
- 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 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 statement 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 to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement 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.

[Signature]*

[Auditor's address]

[Date of the auditor's report][#]

³⁹ 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 statement.

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

The auditor's report is dated as of the date the auditor signs that report.

Example Auditor's Report
Special Purpose – Financial Statement – Accounts Receivable Schedule
(Compliance Framework)

[Aus] Illustration 3A:

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

- Audit of an accounts receivable schedule (that is, element, account or item of a financial statement) of an entity other than a listed entity. The schedule is *not* prepared under the *Corporations Act 2001*.
- The financial information has been prepared by management of the entity in accordance with the financial reporting provisions established by a regulator to meet the requirements of that regulator. Management does not have a choice of financial reporting frameworks.
- The applicable financial reporting framework is a compliance framework designed to meet the financial information needs of specific users.⁴⁰
- The terms of the audit engagement reflect the description of management's responsibility for the financial report in 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 the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*.
- Distribution of the auditor's report is restricted.
- 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 ASA 570.
- The auditor is not required, and has otherwise not decided to communicate key audit matters in accordance with ASA 701 in the context of the audit of the accounts receivable schedule.
- The auditor has determined that there is no other information (i.e., the requirements of ASA 720 do not apply).
- Management is responsible for the preparation of the financial statement and oversight of the financial reporting process to prepare this financial statement.
- The auditor has no other reporting responsibilities required under law or regulation.

INDEPENDENT AUDITOR'S REPORT

[Appropriate Addressee]

⁴⁰ ASA 800 (Revised) contains requirements and guidance on the form and content of a financial report prepared in accordance with a special purpose framework.

Opinion

We have audited the accounts receivable schedule of ABC Company (the Company) as at 31 December 20X1 (“the schedule”).

In our opinion, the financial information in the schedule of the Company as at 31 December 20X1 is prepared, in all material respects, in accordance with [describe the financial reporting provisions established by the regulator].

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Schedule* section of our report. We are independent of the Company in accordance with the ethical requirements 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 schedule in Australia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note X to the schedule, which describes the basis of accounting. The schedule is prepared to assist the Company to meet the requirements of Regulator DEF. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for the Company and Regulator DEF and should not be distributed to parties other than the Company or Regulator DEF. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Schedule⁴¹

Management is responsible for the preparation of the schedule in accordance with [describe the financial reporting provisions established by the regulator], and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

In preparing the schedule, management is responsible for assessing the Company’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 or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule 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 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 this schedule.

Paragraph 41(b) of ASA 700 explains that the shaded material below can be located in an Appendix to the auditor’s report.

Paragraph 41(c) of ASA 700 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

⁴¹ Or other terms that are appropriate in the context of the legal framework in the particular jurisdiction

Auditing Standard ASA 805

Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement

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>

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the schedule, 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 internal control.⁴²
- 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 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 schedule 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 to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management,

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.

[Signature]*

[Auditor's address]

[Date][#]

⁴² 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 schedule.

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

The auditor's report is dated as of the date the auditor signs that report.