

Compiled Auditing Standard

ASRE 2415

(December 2022)

**Auditing Standard on Review
Engagements ASRE 2415
*Review of a Financial Report: Company
Limited by Guarantee or an Entity
Reporting under the ACNC Act or Other
Applicable Legislation or Regulation***

This compilation was prepared on 13 December 2022 taking into account amendments made by ASA 2013-3, ASA 2021-5 and ASA 2022-2.

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



Australian Government

Auditing and Assurance Standards Board

Obtaining a Copy of this Auditing Standard on Review Engagements

The most recently compiled versions of Auditing Standards on Review Engagements, original Standards and amending Standards (see Compilation Details) are available on the AUASB website: www.auasb.gov.au

Contact Details

Auditing and Assurance Standards Board
Level 20, 500 Collins Street
Melbourne Victoria 3000
AUSTRALIA

Phone: (03) 8080 7400
E-mail: enquiries@auasb.gov.au

Postal Address:
PO Box 204
Collins Street West
Melbourne Victoria 8007
AUSTRALIA

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COMPILATION DETAILS

Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation* (as Amended)

This compilation takes into account amendments made up to and including 13 December 2022 and was prepared on 13 December 2022 by the Auditing and Assurance Standards Board (AUASB).

This compilation is not a separate Auditing Standard on Review Engagements made by the AUASB. Instead, it is a representation of ASRE 2415 (June 2010) as amended by other Auditing Standards which are listed in the Table below.

Table of Standards

Standard	Date made	Operative Date
ASRE 2415 [A]	30 June 2010	Financial reporting periods ending on or after 30 June 2010
ASA 2013-1 [B]	26 March 2013	Financial reporting periods commencing on or after 1 July 2013 [Early adoption permitted]
ASA 2013-3 [C]	1 July 2013	Financial reporting periods commencing on or after 1 July 2013
ASA 2021-5 [D]	5 November 2021	Financial reporting periods commencing on or after 15 December 2021
ASA 2022-2 [E]	13 December 2022	Financial reporting periods commencing on or after 15 December 2022

[A] Federal Register of Legislation – registration number F2010L01935, 9 July 2010

[B] Federal Register of Legislation – registration number F2013L00587, 2 April 2013

[C] Federal Register of Legislation – registration number F2013L01326, 1 July 2013

[D] Federal Register of Legislation – registration number F2021L01525, 8 November 2021

[E] Federal Register of Legislation – registration number F2022L01638, 13 December 2022

Table of Amendments

Paragraph affected	How affected	By ... [paragraph]
Title Page and Page Headers	Title changed	ASA 2013-1[7]
1	Application extended	ASA 2013-1[8]
3	Consequential extension of scope	ASA 2013-1[9]
4	Editorial change and reference deleted	ASA 2013-1[10]
5	Consequential editorial change	ASA 2013-1[11]

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Paragraph affected	How affected	By ... [paragraph]
7	Consequential editorial change	ASA 2013-1[12]
Sub-heading (above 9)	Consequential editorial change	ASA 2013-1[13]
9	Consequential editorial changes and references deleted	ASA 2013-1[14]
Footnote 2	Reference deleted	ASA 2013-1[15]
10	Consequential editorial change	ASA 2013-1[16]
11	Issue date added	ASA 2013-1[17]
Footnote 3	Reference added	ASA 2013-1[18]
Footnote 5	Consequential editorial change	ASA 2013-1[19]
Footnote 6	Editorial correction	ASA2013-1[20]
Sub-heading (above A1)	Consequential editorial change	ASA 2013-1[21]
A1	Consequential editorial change and editorial correction	ASA 2013-1[22]
Footnote 7	Reference deleted and editorial correction	ASA 2013-1[23]
Sub-heading (above A2)	Consequential editorial change	ASA 2013-1[24]
A2	Consequential editorial change	ASA 2013-1[25]
Footnote 8	Reference added	ASA 2013-1[26]
A3	Consequential editorial change	ASA 2013-1[27]
Appendix 1	New introductory paragraph	ASA 2013-1[28]
Appendix 1	Consequential editorial changes through the example review report	ASA 2013-1[29-36]
Footnotes 11 and 12	Renumbered	ASA 2013-1[37]
Appendix 1	Amended	ASA 2013-3 [19]
11 and Footnote 4	Deleted	ASA 2021-5 [33]
12 and Footnote 5	Amended	ASA 2022-2 [20-21]

AUTHORITY STATEMENT

Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation* (as amended to 13 December 2022) is set out in paragraphs 1 to A3 and Appendix 1.

This Auditing Standard on Review Engagements is to be read in conjunction with ASA 101 *Preamble to AUASB Standards*, which sets out how AUASB Standards are to be understood, interpreted and applied.

Conformity with International Standards on Review Engagements

This Auditing Standard on Review Engagements has been made for Australian legislative purposes and there is no equivalent International Standard on Review Engagements (ISRE) issued by the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting board of the International Federation of Accountants (IFAC).

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AUDITING STANDARD ON REVIEW ENGAGEMENTS ASRE 2415

The Auditing and Assurance Standards Board (AUASB) made Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, pursuant to section 227B of the *Australian Securities and Investments Commission Act 2001* and section 336 of the *Corporations Act 2001*, on 30 June 2010.

This compiled version of ASRE 2415 incorporates subsequent amendments contained in other Auditing Standards made by the AUASB up to and including 13 December 2022 (see Compilation Details).

AUDITING STANDARD ON REVIEW ENGAGEMENTS ASRE 2415

Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation

Application

1. This Auditing Standard on Review Engagements applies to a review of a financial report for a financial year for:
 - (a) a company limited by guarantee in accordance with the *Corporations Act 2001* (the Act); or
 - (b) an entity required to report under the *Australian Charities and Not-for-Profit Commission Act 2012 (Cth)* (the ACNC Act); or
 - (c) an entity required to report under other applicable legislation or regulation.

Operative Date

2. This Auditing Standard on Review Engagements is operative for financial reporting periods ending on or after 30 June 2010. [Note: For operative dates of paragraphs changed or added by an Amending Standard, see Compilation Details.]

Introduction

Scope of this Auditing Standard on Review Engagements

3. This Auditing Standard on Review Engagements deals with the responsibilities of the auditor to review the financial report of:
 - (a) A company limited by guarantee that has elected, under section 301(3) of the Act, to have its financial report reviewed instead of audited. It also deals with the form and content of the review report, which is based on the example review reports contained within existing review standards.¹
 - (b) An entity that has elected, under the ACNC Act, to have its financial report reviewed instead of audited.

¹ See Appendix 1 for an illustrative example review report.

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- (c) An entity required to report under other applicable legislation or regulation.

Effective Date

4. This Auditing Standard on Review Engagements does not apply to the review of a half-year financial report under the Act. Refer ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, as amended.

Objective

5. The objective of the auditor, is to plan and perform the review of a financial report prepared by a company limited by guarantee or an entity reporting under the ACNC Act or under other applicable legislation or regulation, to enable the auditor to express a conclusion whether, on the basis of the review, anything has come to the auditor's attention that causes the auditor to believe that the financial report is not prepared, in all material respects, in accordance with the applicable financial reporting framework.

Definitions

6. For the purposes of this Auditing Standard on Review Engagements, the following terms have the meanings attributed below:
- (a) A company limited by guarantee means a company limited by guarantee whose obligations are set out in section 285A of the Act.
 - (b) A registered company auditor includes an individual who meets the requirements of section 324BE of the Act.
 - (c) Revised Legislation means *Corporations Amendment (Corporate Reporting Reform) Act 2010*.
7. The term "auditor" as used in this Auditing Standard on Review Engagements, refers to a registered company auditor or an individual:
- (a) taken to be a registered company auditor under section 324BE of the Act; and/or
 - (b) permitted under the ACNC Act to conduct reviews of a financial report; and/or
 - (c) permitted to conduct reviews of a financial report under other applicable legislation or regulation.
8. The term "financial report", as used in this Auditing Standard on Review Engagements, refers to a financial report for a financial year. A financial report for a financial year may be for a period that is greater than or less than 12 months.

Requirements

Applicable Standards

Company or Entity Previously Audited

9. When a company limited by guarantee, or an entity reporting under the ACNC Act, or an entity reporting under other applicable legislation or regulation, elects to have its financial report reviewed instead of audited, an auditor who has conducted an audit of the previous financial report of the company or entity in accordance with the Australian Auditing Standards, shall, in the first financial reporting period under revised legislation, conduct the

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review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* as amended.² (Ref: Para. A1)

Company Not Previously Audited by the Auditor

10. When a company limited by guarantee, or an entity reporting under the ACNC Act, or an entity reporting under other applicable legislation or regulation, elects to have its financial report reviewed instead of audited, an auditor who has not conducted an audit of the previous financial report of the company or entity in accordance with the Australian Auditing Standards, shall conduct the review in accordance with ASRE 2400 *Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity*.³ (Ref: Para. A2)

General Principles

11. The auditor shall comply with relevant ethical requirements relating to the review of the financial report.⁴ (Ref: Para. A3)
12. The auditor shall implement the firm's policies or procedures applicable to the individual engagement.⁵

* * *

² For financial reporting periods commencing on or after 1 January 2010, see ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, issued October 2009, as amended.

³ See ASRE 2400 *Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity*, issued August 2008. For financial reporting periods commencing on or after 1 July 2013, see ASRE 2400 *Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity*, (issued March 2013).

⁴ See ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*, as amended.

⁵ See ASA 220 *Quality Management for an Audit of a Financial Report and Other Historical Financial Information*, which may be helpful in determining quality management procedures appropriate to a review engagement.

Application and Other Explanatory Material

Applicable Standards

Company or Entity Previously Audited (Ref: Para. 9)

- A1. At the time of amendments to the Act there will be companies limited by guarantee and entities reporting under the ACNC Act, or other applicable legislation or regulation, that have been in existence for some time and will have appointed an auditor. Where that auditor has conducted an audit of the company's or entity's previous financial report, that auditor will have obtained an understanding of the company or entity and its environment, including the company's or entity's internal control, in accordance with the Australian Auditing Standards. Accordingly, the auditor conducting a review, does so in accordance with ASRE 2410.⁶ ASRE 2410 is to be read in conjunction with ASA 101 *Preamble to Australian Auditing Standards*, as amended.

Company or Entity Not Previously Audited by the Auditor (Ref: Para. 10)

- A2. A company limited by guarantee, and entities reporting under the ACNC Act, or other applicable legislation or regulation, may engage an auditor, who has not conducted an audit of the company's or entity's previous financial report, to conduct a review of its financial report. In such cases, that auditor will not have recently obtained an understanding of the company or entity and its environment, including the company's or entity's internal control, through compliance with Australian Auditing Standards. Accordingly, that auditor conducts the review in accordance with ASRE 2400.⁷ ASRE 2400 is to be read in conjunction with ASA 100 *Preamble to AUASB Standards*.

General Principles (Ref: Para. 11)

- A3. When complying with the fundamental ethical principles in accordance with ASRE 2400, an auditor with no previous engagement experience with the company or entity, pays particular attention to the principles of professional competence and due care.

⁶ For financial reporting periods commencing on or after 1 January 2010, refer ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, (issued October 2009), as amended.

⁷ See ASRE 2400 *Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity*, (issued August 2008). For financial reporting periods commencing on or after 1 July 2013, see ASRE 2400 *Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity*, (issued March 2013).

Appendix 1

(Ref: Para. 3)

EXAMPLE AUDITOR'S REVIEW REPORT

The following example auditor's review report is to be used as a guide only and will need to be adapted according to the review engagement requirements and circumstances. It is based on the example review reports contained in the Appendices of ASRE 2400 and ASRE 2410.

The example auditor's review report is to be adapted as necessary for reviews under the ACNC Act or other applicable legislation or regulation.

Example 1: Financial report of a company limited by guarantee prepared under the Corporations Act 2001. The financial reporting framework is designed to achieve fair presentation.

EXAMPLE OF AN UNMODIFIED REVIEW REPORT

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of [name of company/entity]

Report on the Financial Report

We [I]⁸ have reviewed the accompanying financial report of [name of company/entity], which comprises the statement of financial position as at 30 June 20XX, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.⁹

Directors' /Board of Management's¹⁰ Responsibility for the Financial Report

The directors/board of management of the company/entity 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/ACNC Act*¹¹ and for such internal control as the directors/board of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our [My] responsibility is to express a conclusion on the financial report based on our [my] review. We [I] conducted our [my] review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether, on the basis of the procedures described, we [I] have become aware of any matter that makes us [me] believe that the financial report is not in accordance with the *Corporations Act 2001/ACNC Act*¹² including: giving a true and fair view of the company's/entity's financial position as at 30 June 20XX and its performance for the year ended on that date; and complying with the Australian Accounting Standards

⁸ When an individual is taken to be a registered company auditor under section 324BE of the *Corporations Act 2001*, the auditor's report is to be written in singular form.

⁹ When the auditor is aware that the financial report will be included in a document that contains other information, the auditor may consider, if the form of presentation allows, identifying the page numbers on which the reviewed financial report is presented.

¹⁰ Or other appropriate term.

¹¹ Or other applicable legislation or regulation.

¹² Or other applicable legislation or regulation.

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[and *Corporations Regulations 2001*]. ASRE 2415 requires that we [I] comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us [me] to obtain assurance that we [I] would become aware of all significant matters that might be identified in an audit. Accordingly, we [I] do not express an audit opinion.

[Independence

In conducting our [my] review, we [I] have complied with the independence requirements of the *Corporations Act 2001*. We [I] confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of [name of company], would be in the same terms if given to the directors as at the time of this auditor's report.]¹³

Conclusion¹⁴

Based on our [my] review, which is not an audit, we [I] have not become aware of any matter that makes us [me] believe that the financial report of [name of company] is not in accordance with the *Corporations Act 2001*¹⁵ including:

- (a) giving a true and fair view of the company's financial position as at 30 June 20XX and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards [and *Corporations Regulations 2001*].

Report on Other Legal and Regulatory Requirements

[Form and content of this section of the review report will vary depending on the nature of the auditor's other reporting responsibilities].

[Auditor's signature]¹⁶

[Date of the auditor's review report]¹⁷

[Auditor's address]

¹³ Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant directors; and (b) setting out how the declaration would differ if it had been given to the relevant directors at the time the auditor's report was made. A Statement of Independence is required under the *Corporations Act 2001*.

¹⁴ Form of conclusion will depend on applicable legislation or regulation.

¹⁵ Or ACNC Act or other applicable legislation or regulation.

¹⁶ The auditor's review report is required to be signed in one or more of the following ways: the name of the audit firm, the name of the audit company or the personal name of the individual auditor as appropriate.

¹⁷ The date of the auditor's report is the date the auditor signs the report.