***Internal Note: Special Purpose – Not Corporations Act 2001***

**Disclaimer: the following example audit report has been obtained from ASA 700 Forming an Opinion and Reporting on a Financial Report, Illustration 3 and is to be used as a guide only. Please refer to the standard to determine if it is appropriate for your use.**

**Example Auditor’s Report**

**Single Entity (not listed)**

**(Fair Presentation Framework)**

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

* Audit of a financial report of an entity other than a listed entity. The audit is not a group audit (i.e., ASA 600 does not apply).
* The financial report is prepared by management of the entity in accordance with Australian Accounting Standards (a general purpose framework). The financial report is *not* prepared under the *Corporations Act 2001*.
* 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*.
* 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.
* The auditor has obtained all of the other information prior to the date of the auditor’s report and has not identified a material misstatement of the other information.
* Those responsible for oversight of the financial report differ from those responsible for the preparation of the financial report.
* The auditor has no other reporting responsibilities required under local law.

INDEPENDENT AUDITOR’S REPORT

To the Members of {{client\_name}} [or Other Appropriate Addressee]

**Opinion**

We have audited the financial report of {{client\_name}} (the Entity), which comprises the statement of financial position as at {{audit\_period\_date}}, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, (or *gives a* *true and fair view of*) the financial position of the Entity as at {{audit\_period\_date}}, and (*of*) its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

**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* *Report* section of our report. We are independent of the Entity in accordance with the ethicalrequirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics* *for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report inAustralia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information [or another title if appropriate such as “Information Other than the Financial Report and Auditor’s Report Thereon”]**

*[Reporting in accordance with the reporting requirements in ASA 720 – see [Aus] Illustration 1A in Appendix 3 of ASA 720.]*

Those charged with governance are responsible for the other information. The other information comprises the information included in the Entity’s annual report for the year ended {{audit\_period\_date}}, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

**Auditor’s Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report 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 the financial report.

[A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor’s report.]

As part of an audit in accordance with the 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 report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity’s internal control.
* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
* Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial 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 Entity to cease to continue as a going concern.
* Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

[*Signature*]

[*Date of the auditor’s report*]

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