

# Templates for audit/review reports

[OFFICIAL]  
Date: 18/10/2022

**These templates are designed for use by auditors and have been developed with the assistance of the Australian Auditing and Assurance Standards Board.**

## Glossary

Acronym	Full term
AUASB	<i>Australian Auditing and Assurance Standards Board</i>
ACNC	<i>Australian Charities and Not-for-profits Commission</i>
ACNC Act	<i>Australian Charities and Not-for-profits Commission Act 2012 (Cth)</i>
ACNC Regulation	<i>Australian Charities and Not-for-profits Commission Regulation 2013 (Cth)</i>
GPFS	General Purpose Financial Statements
GPFS-RDR	General Purpose Financial Statements - reduced disclosure requirement
GPFS-SDR	General Purpose Financial Statements - simplified disclosure requirement
SPFS	Special Purpose Financial Statements

## Templates: review reports

The following examples are review report templates for ACNC financial reporting purposes from 1 July 2013 and onwards

### Unmodified opinion/conclusion

#	Year	Type of Financial Report	Type of Assurance Report	Relevant Standards	Page
1	2014 onwards	GPFS – medium	Review	ASRE 2415 (fair presentation)	8
2	2014 onwards	SPFS – medium	Review	ASRE 2415 (fair presentation)	10

### Modified opinion/conclusion and/or deficiency

#	Year	Type of Financial Report	Type of Assurance Report	Relevant Standards	Page
3	2014 onwards	SPFS – medium	Review <ul style="list-style-type: none"><li>• modified review conclusion</li><li>• deficiency identified under Division of 60 of the ACNC Act</li></ul>	ASRE 2415	12

## Templates: audit reports

The following examples are audit report templates for ACNC financial reporting purposes, including revised auditing standards for periods ending on or after 15 December 2016

### Unmodified opinion

#	Year Ending	Type of Financial Report	Type of Assurance Report	Relevant Standards	Page
4	December 2016 onwards	GPFS - large	Audit	ASA 700 (fair presentation)	15
5	December 2016 onwards	SPFS - large	Audit	ASA 800 (fair presentation)	19
6	December 2016 onwards	GPFS – large group	Audit	ASA 600 / ASA 700 (fair presentation)	22

### Modified opinion and/or deficiency/ or unmodified opinion and going concern

#	Year Ending	Type of Financial Report	Type of Assurance Report	Relevant Standards	Page
7	December 2016 onwards	SPFS – large	Audit <ul style="list-style-type: none"> <li>modified audit opinion – limitation of scope</li> <li>no deficiencies identified under Division of 60 of the ACNC Act</li> </ul>	ASA 800/ ASA 705	25
8	December 2016 onwards	GPFS – large	Audit <ul style="list-style-type: none"> <li>unmodified audit opinion</li> <li>deficiency identified under Division of 60 of the ACNC Act</li> </ul>	ASA 700	29
9	December 2016 onwards	SPFS – large	Audit <ul style="list-style-type: none"> <li>unmodified audit opinion</li> <li>going concern - material uncertainty exists, adequate disclosures</li> <li>other information – material misstatement</li> </ul>	ASA 800/ ASA 570 / ASA 720	33

## Appendix 1 – Review report templates

### Examples of Auditors' Report for ACNC financial reporting requirements

**Example 1:** An auditor's review report on a GPFS prepared in accordance with a fair presentation framework designed to meet the common financial information needs of a wide range of users for a medium registered entity. This report can be used for an auditor whose conclusion for the financial report is unmodified. It meets the requirements of the ACNC Act including where there are no other reportable matters under section 60-50(3)(b) of the ACNC Act.

**Example 2:** An auditor's review report on a SPFS prepared in accordance with a fair presentation framework by a non-reporting entity, including in compliance with Division 60 (in particular section 60.30) of the ACNC Regulation for a medium registered entity. This report can be used for an auditor whose conclusion on the financial report is unmodified. It meets the requirements of the ACNC Act including where there are no other reportable matters under section 60-50(3)(b) of the ACNC Act.

**Example 3:** An auditor's review report containing a qualified conclusion on a SPFS prepared in accordance with a fair presentation framework by a non-reporting entity, including in compliance with Division 60 (in particular section 60.30) of the ACNC Regulation for a medium registered entity. The auditor was unable to obtain sufficient appropriate audit evidence about multiple elements of the financial report. That is, the auditor was unable to obtain audit evidence about the registered entity's inventories and cash donations. The auditor has also reported on other reportable matters under section 60-50(3)(b) of the ACNC Act, which was identified in the course of the review, and determined that there was a failure to keep other records as required by section 55-5 of the ACNC Act. A qualified conclusion is expressed on the review of the financial report.

## Appendix 2 – Audit report templates

### Examples of Auditors' Report for ACNC financial reporting requirements

**Example 4:** An auditor's report on a GPFS prepared in accordance with a fair presentation framework designed to meet the common financial information needs of a wide range of users for a large registered entity. This report can be used for an auditor whose opinion on the financial report is unmodified. It meets the requirements of the ACNC Act including where there are no other reportable matters under section 60-45(3)(b) of the ACNC Act.

**Example 5:** An auditor's report on a SPFS prepared in accordance with a fair presentation framework by a non-reporting entity, including in compliance with Division 60 (in particular section 60.30) of the ACNC Regulation for a large registered entity. This report can be used for an auditor whose opinion on the financial report is unmodified. It meets the requirements of the ACNC Act including where there are no other reportable matters under section 60-45(3)(b) of the ACNC Act.

**Example 6:** An auditor's report on a GPFS prepared in accordance with a fair presentation framework designed to meet the common financial information needs of a wide range of users for a large registered entity and its subsidiaries (the Group). This report can be used for an auditor who is providing an opinion on the consolidated financial position and financial results in the primary financial statements, and whose opinion on the financial report is unmodified. It meets the requirements of the ACNC Act including where there are no other reportable matters under section 60-45(3)(b) of the ACNC Act.

**Example 7:** An auditor's report containing a modified opinion on a SPFS prepared in accordance with a fair presentation framework by a non-reporting entity, including in compliance with Division 60 (in particular section 60.30) of the ACNC Regulation for a large registered entity. The auditor was unable to obtain sufficient appropriate audit evidence regarding the cash donations due to the impracticability to establish control over the collection of cash. A modified opinion is expressed on the audited financial report. It otherwise meets the requirements of the ACNC Act including where there are no other reportable matters under section 60-45(3)(b) of the ACNC Act.

**Example 8:** An auditor's report on a GPFS prepared in accordance with a fair presentation framework designed to meet the common financial information needs of a wide range of users for a large registered entity. This report can be used for an auditor whose opinion on the financial report is unmodified but has determined other reportable matters under section 60-45(3)(b) of the ACNC Act relating to a failure to keep other records as required by section 55-5 of the ACNC Act. It otherwise meets the requirements of the ACNC Act.

**Example 9:** An auditor's report on a SPFS prepared in accordance with a fair presentation framework designed to meet the common financial information needs of a wide range of users for a large registered entity. This report can be used for an auditor whose opinion on the financial report is unmodified but has determined that a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. The disclosure of the material uncertainty in the financial report is adequate. Additionally, this report can be used for an auditor who has identified a material misstatement in relation to other information (i.e. the directors report included in the annual report).

### Example 1: Auditor's Review Report

#### General Purpose Financial Report – Unmodified Conclusion (Fair Presentation Framework)

##### Circumstances include the following:

- **Relates to the 2014 financial reporting period onwards.**
- **The registered entity is a single entity and is considered to be “medium”.**
- **The registered entity is a reporting entity and its GPFS is prepared by the responsible entities in accordance with the Australian Accounting Standards, the ACNC Act and ACNC Regulation.**
- **The financial report is reviewed by the auditor in accordance with Standard on Review Engagements, ASRE 2415.**

#### INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of [name of registered entity]

##### Report on the Financial Report

We [I]<sup>1</sup> have reviewed the accompanying financial report of [name of registered 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 [period] ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities'<sup>2</sup> declaration.

##### *Responsible Entities' Responsibility for the Financial Report*

The responsible entities of the registered 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 *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the responsible entities 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<sup>3</sup> 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 does not satisfy the requirements of Division 60 of the ACNC Act including: giving a true and fair view of the registered entity's financial position as at 30 June 20XX and its performance for the year [period] ended on that date; and complying with the Australian Accounting

<sup>1</sup> When an individual is taken to be a registered company auditor under section 324BE(1) of the *Corporations Act 2001*, the auditor's review report is to be written in singular form. See section 60-30(2) of the ACNC Act.

<sup>2</sup> The term "responsible entities" could be replaced with director(s) of the company or trustee(s) of the trust or if the trustee is a body corporate, a director(s) of the trustee – see section 205-30 of the ACNC Act.

<sup>3</sup> Section 60-50(1),(2) and (3)(a) of the ACNC Act requires the auditor to include details if the financial report has not been prepared in accordance with Division 60 of the ACNC Act. Under these sections, the auditor is required to explain why and where possible, quantify the effect of this non-compliance on the financial report. If such quantification is not possible, the auditor is to explain why. The auditor is also required to describe any material defect or irregularity in the financial report.

Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC Regulation). 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 requirement of the ACNC Act. We [I] confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of [charity name], would be in the same terms if given to the responsible entities as at the time of this auditor's report.]<sup>4</sup>

#### **Conclusion**

Based on our [my] review, which is not an audit, we [I] have not become aware of any matter that makes us to believe that the financial report of [name of registered entity] does not satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 20XX and of its financial performance for the year [period] ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### **Report on Other Legal and Regulatory Requirements**

[Form and content of this section of the auditor's review report will vary depending on the nature of the auditor's other reporting responsibilities. Particular attention should be paid to the auditor's reporting responsibility under section 60-50(3)(b) of the ACNC Act. Where matters are to be reported, Examples 3 and 8 provide guidance.]

[Auditor's signature]<sup>5</sup>

[Date of the auditor's review report]<sup>6</sup>

[Auditor's address]

---

<sup>4</sup> Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant responsible entities; and (b) setting out how the declaration would differ if it had been given to the relevant responsible entities at the time the auditor's report was made. A written independence declaration is required under section 60-40 of the ACNC Act 2012.

<sup>5</sup> 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.

<sup>6</sup> The date of the auditor's review report is the date the auditor signs the report.

*Australian Charities and Not-for-profits Commission Act 2012***Example 2: Auditor's Review Report**

## Special Purpose Financial Report – Unmodified Conclusion

## (Fair Presentation Framework)

**Circumstances include the following:**

- **Relates to the 2014 financial reporting period onwards.**
- **The registered entity is a single entity and is considered to be “medium”.**
- **The registered entity is a non-reporting entity.**
- **The registered entity has elected to prepare a special purpose financial report.**
- **The financial report is prepared by the responsible entities in accordance with the ACNC Act and Division 60 (and in particular section 60.30) of the ACNC Regulation.**
- **The financial report is reviewed by the auditor in accordance with Standard on Review Engagements, ASRE 2415.**
- **Distribution and use of the auditor's review report is not restricted.**

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of [name of registered entity]

**Report on the Financial Report**

We [I]<sup>7</sup> have reviewed the accompanying financial report, being a special purpose financial report of [name of registered 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 [period] ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities'<sup>8</sup> declaration.

*Responsible Entities' Responsibility for the Financial Report*

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note X to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) [and the needs of the members [or other appropriate term]]. The responsible entities' responsibility also includes such internal control that the responsible entities determine is necessary to enable the preparation of a 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<sup>9</sup> 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 does not satisfy the requirements of Division 60 of the ACNC Act including: giving a true and fair view of the registered entity's financial position as at 30 June 20XX and its

<sup>7</sup> When an individual is taken to be a registered company auditor under section 324BE(1) of the *Corporations Act 2001*, the auditor's review report is to be written in singular form. See section 60-30(2) of the ACNC Act.

<sup>8</sup> The term "responsible entities" could be replaced with director(s) of the company or trustee(s) of the trust or if the trustee is a body corporate, a director(s) of the trustee – see section 205-30 of the ACNC Act.

<sup>9</sup> Section 60-50(1),(2) and (3)(a) of the ACNC Act requires the auditor to include details if the financial report has not been prepared in accordance with Division 60 of the ACNC Act. Under these sections, the auditor is required to explain why and where possible, quantify the effect of this non-compliance on the financial report. If such quantification is not possible, the auditor is to explain why. The auditor is also required to describe any material defect or irregularity in the financial report.

performance for the year [period] ended on that date; and complying with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC Regulation). 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 requirement of the ACNC Act. We [I] confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of [charity name], would be in the same terms if given to the responsible entities as time of this auditor's report.]<sup>10</sup>

#### **Conclusion**

Based on our [my] review, which is not an audit, we [I] have not become aware of any matter that makes us to believe that the financial report of [name of registered entity] does not satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 20XX and of its financial performance for the year [period] ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note X, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### *Basis of Accounting*

Without modifying our [my] conclusion, we [I] draw attention to Note X to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the responsible entities' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.

#### **Report on Other Legal and Regulatory Requirements**

[Form and content of this section of the auditor's review report will vary depending on the nature of the auditor's other reporting responsibilities. Particular attention should be paid to the auditor's reporting responsibility under section 60-50(3)(b) of the ACNC Act. Where matters are to be reported, Examples 3 and 8 provide guidance.]

[Auditor's signature]<sup>11</sup>

[Date of the auditor's review report]<sup>12</sup>

[Auditor's address]

<sup>10</sup> Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant responsible entities; and (b) setting out how the declaration would differ if it had been given to the relevant responsible entities at the time the auditor's report was made. A written independence declaration is required under section 60-40 of the ACNC Act 2012.

<sup>11</sup> 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.

<sup>12</sup> The date of the auditor's review report is the date the auditor signs the report.

## *Australian Charities and Not-for-profits Commission Act 2012*

### Example 3: Auditor's Review Report

Special Purpose Financial Report – Qualified Conclusion (insufficient evidence)

(Fair Presentation Framework)

#### Circumstances include the following:

- **Relates to the 2014 financial reporting period onwards.**
- **The registered entity is a single entity and is considered to be “medium”.**
- **The registered entity is a non-reporting entity.**
- **The registered entity has elected to prepare a special purpose financial report.**
- **The financial report has been prepared by the responsible entities of the registered entity in accordance with the ACNC Act and Division 60 (and in particular section 60.30) of the ACNC Regulation.**
- **The auditor was unable to obtain sufficient appropriate audit evidence regarding the completeness of cash donations due to the impracticability to establish control over the collection of cash donations.**
- **The auditor was not given all the information, explanation or assistance that the auditor considered necessary in relation to a material component of inventories. Consequently, the auditor modified the conclusion and is required by section 60-50(3)(b) of the ACNC Act to include the matter in the auditor's review report.**
- **In addition, the auditor has reported a further deficiency under section 60-50(3)(b) of the ACNC Act which does not affect the conclusion on the financial report.**
- **The auditor has no other reporting responsibilities.**
- **The financial report is reviewed in accordance with Standard on Review Engagement, ASRE 2415.**
- **Distribution and use of the auditor's review report is not restricted.**

#### INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of [name of registered entity]

#### **Report on the Financial Report**

We [I]<sup>13</sup> have reviewed the accompanying financial report, being a special purpose financial report of [name of registered 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 [period] ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities'<sup>14</sup> declaration.

#### *Responsible Entities' Responsibility for the Financial Report*

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and has determined that the basis of preparation described in Note X to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) [and the needs of the members [or other

<sup>13</sup> When an individual is taken to be a registered company auditor under section 324BE(1) of the *Corporations Act 2001*, the auditor's report is to be written in singular form. See section 60-30(2) of the ACNC Act.

<sup>14</sup> The term responsible entities could be replaced with director(s) of the company or trustee(s) of the trust or if the trustee is a body corporate, a director(s) of the trustee – see section 205-30 of the ACNC Act.

appropriate terms]]. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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<sup>15</sup> 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 does not satisfy the requirements of Division 60 of the ACNC Act including: giving a true and fair view of the registered entity's financial position as at 30 June 20XX and its performance for the year [period] ended on that date; and complying with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC Regulation). 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 requirement of the ACNC Act. We [I] confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of [charity name], would be in the same terms if given to the responsible entities as time of this auditor's report.<sup>16</sup>

#### *Basis for Qualified Conclusion*

Cash donations are a significant source of fundraising revenue for [name of registered entity]. The [name of registered entity] has determined that it is impracticable to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us [me] regarding fundraising revenue from this source was limited, our [my] audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We [I] therefore are unable to conclude whether the recorded cash donations of [name of registered entity] are complete.

Additionally, we [I] were [was] not given all information, explanation and assistance necessary for the conduct of the review in relation to a material component of inventories. We [I] are unable to adopt alternative procedures regarding [identify the component of inventories] included in the statement of financial position at a total amount of xxx as at 30 June 20XX. Accordingly, we [I] were unable to conclude on this inventory balance or determine whether any adjustments might have been found necessary. [This is a deficiency under section 60-30(4)(b) of the ACNC Act.]

#### *Qualified Conclusion*

Based on our [my] review, which is not an audit, with the exception of the matters described in the Basis for Qualified Conclusion paragraph, we [I] have not become aware of any matter that makes us believe that the financial report of [name of registered entity] does not satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 20XX and of its financial performance for the year [period] ended on that date; and

<sup>15</sup> Section 60-50 (1), (2) and (3)(a) of the ACNC Act require the auditor to include details if the financial report has not been prepared in accordance with Division 60 of the ACNC Act. Under these sections, the auditor is required to explain why and where possible, quantify the effect of this non-compliance on the financial report. If such quantification is not possible, the auditor is to explain why. The auditor is also required to describe any material defect or irregularity in the financial report.

<sup>16</sup> Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant responsible entities; and (b) setting out how the declaration would differ if it had been given to the relevant responsible entities at the time the auditor's report was made. A written independence declaration is required under section 60-40 of the ACNC Act 2012.

- (b) complying with Australian Accounting Standards to the extent described in Note X, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

*Basis of Accounting*

Without further modifying our [my] conclusion, we [I] draw attention to Note X to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the responsible entities' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of section 60-50(3)(b) of the ACNC Act, we [I] are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in paragraph 60-30(4)(b), (c) or (d) of the ACNC Act.

In addition to the matter relating to inventory referred to in the Basis for Qualified Conclusion paragraph, our review on the financial report is not modified in respect of the following matter(s) because, in our [my] conclusion, it [they] has [have] been appropriately addressed by [name of registered entity] and is [are] not considered material in the context of the review of the financial report as a whole<sup>17</sup>:

[Example:

- (a) [Name of registered entity] failed to keep [name of other record] as required by section 55-5 of the ACNC Act for the period 1 July 2022 to 4 July 2022 inclusive.]

[Auditor's signature]<sup>18</sup>

[Date of the auditor's review report]<sup>19</sup>

[Auditor's address]

---

<sup>17</sup> Provide appropriate details of all instances of a deficiency, failure or shortcoming in respect of the matters mentioned in paragraph 60-30(4) (b), (c), or (d) of the ACNC Act by [name of registered entity] including all those reported to the ACNC by [name of registered entity].

<sup>18</sup> 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.

<sup>19</sup> The date of the auditor's review report is the date the auditor signs the report.

## Example 4: Auditor's Report

General Purpose Financial Report – Unmodified Opinion

**(Fair Presentation Framework)**

Circumstances include the following:

- **Relates to years ending after 15 December 2016 onwards.**
- **The registered entity is a single entity and is considered to be “large”. The audit is not a group audit (i.e. ASA 600 does not apply).**
- **The registered entity is a reporting entity and its general purpose financial report is prepared by the responsible entities in accordance with Australian Accounting Standards, the ACNC Act and the ACNC Regulation.**
- **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* (including independence standards).**
- **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 registered entity's ability to continue as a going concern in accordance with ASA 570.**
- **The auditor is not required 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 in relation to the other information (i.e. the director's report included in the annual report).**
- **The financial report is audited by the auditor in accordance with Australian Auditing Standards.**

## INDEPENDENT AUDITOR'S REPORT

To the members of [name of registered entity]

**Report on the Audit of the Financial Report<sup>20</sup>****Opinion**

We [I]<sup>21</sup> have audited the financial report of [name of registered 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 [period] then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities'<sup>22</sup> declaration.

In our [my] opinion, the accompanying financial report of [name of registered entity] is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 20XX and of its financial performance for the year [period] then ended; and

<sup>20</sup> The sub-title “Report on the Audit of the Financial Report” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements”, or other appropriate sub-title, is not applicable

<sup>21</sup> When an individual is taken to be a registered company auditor under section 60-30(1) (a) of the ACNC Act, the auditor's report is to be written in singular form.

<sup>22</sup> The term “responsible entities” could be replaced with director(s) of the company or trustee(s) of the trust or if the trustee is a body corporate, a director(s) of the trustee – see section 205-30 of the ACNC Act.

(b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### **Basis for Opinion**

We [I] conducted our [my] audit in accordance with Australian Auditing Standards. Our [My] responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our [my] report. We [I] are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our [my] audit of the financial report in Australia. We [I] have also fulfilled our [my] other ethical responsibilities in accordance with the Code.

We [I] believe that the audit evidence we [I] have obtained is sufficient and appropriate to provide a basis for our [my] 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.]*

The responsible entities are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 20XX, but does not include the financial report and our [my] auditor's report thereon.

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

In connection with our [my] audit of the financial report, our [my] 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 [my] knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### **Responsibilities of Responsible Entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act,<sup>23</sup> and for such internal control as the responsible entities determine 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, responsible entities are responsible for assessing the registered 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 the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our [My] objectives are to obtain reasonable assurance about whether the financial report<sup>24</sup> as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's

<sup>23</sup> Where responsible entities responsibility is to prepare a financial report that gives a true and fair view, this may read: "Responsible entities are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and for such ..."

<sup>24</sup> Section 60-45(1),(2) and (3)(a) of the ACNC Act requires the auditor to include details if the financial report has not been prepared in accordance with Division 60 of the ACNC Act. Under these sections, the auditor is required to explain why and where possible, quantify the effect of this non-compliance on the financial report. If such quantification is not possible, the auditor is to explain why. The auditor is also required to describe any material defect or irregularity in the financial report.

report that includes our [my] 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.

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 the Australian Auditing Standards, we [I] exercise professional judgement and maintain professional scepticism throughout the audit. We [I] 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 [my] 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 registered entity's ability to continue as a going concern. If we [I] conclude that a material uncertainty exists, we [I] are required to draw attention in our [my] auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our [My] 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 registered 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 [I] communicate with the responsible entities 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 [I] identify during our [my] audit.

### **[Independence]**

We [I] confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of [charity name], would be in the same terms if given to the responsible entities as at the time of this auditor's report.]<sup>25</sup>

### **[Report on Other Legal and Regulatory Requirements]**

<sup>25</sup> Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant responsible entities; and (b) setting out how the declaration would differ if it had been given to the relevant responsible entities at the time the auditor's report was made. A written independence declaration is required under section 60-40 of the ACNC Act 2012.

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities. Particular attention should be paid to the auditor's reporting responsibility under section 60-45(3)(b) of the ACNC Act. Where matters are to be reported, Examples 3 and 8 provide guidance.]

[Auditor's signature]<sup>26</sup>

[Date of the auditor's report]<sup>27</sup>

[Auditor's address]

---

<sup>26</sup> The auditor's signature is either in the name of the audit firm, the personal name of the auditor or both, as appropriate.  
<sup>27</sup> The date of the auditor's report is the date the auditor signs the report.

*Australian Charities and Not-for-profits Commission Act 2012*

**Example 5: Auditor's Report**

Special Purpose Financial Report – Unmodified Opinion

(Fair Presentation Framework)

**Circumstances include the following:**

- **Relates to years ending after 15 December 2016 onwards.**
- **The registered entity is a single entity and is considered to be “large”.**
- **The registered entity is a non-reporting entity.**
- **The registered entity has elected to prepare a special purpose financial report.**
- **The financial report is prepared by the responsible entities in accordance with the ACNC Act and Division 60 (and in particular section 60.30) of the ACNC Regulation.**
- **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 (including independence standards)*.**
- **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 company's ability to continue as a going concern in accordance with ASA 570.**
- **The auditor has not obtained other information prior to the date of the auditor's report**
- **The financial report is audited by the auditor in accordance with Australian Auditing Standards.**
- **Distribution or use of the auditor's report is not restricted.**
- **The auditor is not required to communicate key audit matters in accordance with ASA 701.**

**INDEPENDENT AUDITOR'S REPORT**

To the members of [name of registered entity]

**Report on the Audit of the Financial Report<sup>28</sup>**

**Opinion**

We [I]<sup>29</sup> have audited the financial report of [name of registered 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 [period] then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities'<sup>30</sup> declaration.

In our [my] opinion, the accompanying financial report of [name of registered entity], is in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 20XX, and of its financial performance for the year [period] then ended; and

---

<sup>29</sup> When an individual is taken to be a registered company auditor under section 60-30(1) (a) of the ACNC Act, the auditor's report is to be written in singular form.

<sup>30</sup> The term “responsible entities” could be replaced with director(s) of the company or trustee(s) of the trust or if the trustee is a body corporate, a director(s) of the trustee – see section 205-30 of the ACNC Act.

- (b) complying with Australian Accounting Standards to the extent described in Note X, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### **Basis for opinion**

We [I] conducted our [my] audit in accordance with Australian Auditing Standards. Our [My] responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our [my] report. We [I] are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our [my] audit of the financial report in Australia. We [I] have also fulfilled our [my] other ethical responsibilities in accordance with the Code.

We [I] believe that the audit evidence we [I] have obtained is sufficient and appropriate to provide a basis for our [my] opinion.

### **Emphasis of Matter - Basis of Accounting**

We [I] draw attention to Note X to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our [My] opinion is not modified in respect of this matter.

### **Responsibility of the Responsible Entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note X to the financial report is appropriate to meet the requirements of the ACNC Act [and the needs of the members [or other appropriate terms]]. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity'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 the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our [My] objectives are to obtain reasonable assurance about whether the financial report<sup>31</sup> as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our [my] opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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.

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

<sup>31</sup> Section 60-45(1),(2) and (3)(a) of the ACNC Act requires the auditor to include details if the financial report has not been prepared in accordance with Division 60 of the ACNC Act. Under these sections, the auditor is required to explain why and where possible, quantify the effect of this non-compliance on the financial report. If such quantification is not possible, the auditor is to explain why. The auditor is also required to describe any material defect or irregularity in the financial report.

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 [I] exercise professional judgement and maintain professional scepticism throughout the audit. We [I] 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 [my] 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 registered entity's internal control.<sup>32</sup>
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' 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 registered entity's ability to continue as a going concern. If we [I] conclude that a material uncertainty exists, we [I] are required to draw attention in our [my] auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our [my] opinion. Our [My] conclusions are based on the audit evidence obtained up to the date of our [my] auditor's report. However, future events or conditions may cause the registered 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 [I] communicate with responsible entities 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 [I] identify during our [my] audit.

### **[Independence]**

We [I] confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of [charity name], would be in the same terms if given to the responsible entities as at the time of this auditor's report.<sup>33</sup>

### **[Report on Other Legal and Regulatory Requirements]**

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities. Particular attention should be paid to the auditor's reporting responsibility under section 60-45(3)(b) of the ACNC Act. Where matters are to be reported, Examples 3 and 8 provide guidance.]

[Auditor's signature]<sup>34</sup>

[Date of the auditor's report]<sup>35</sup>

[Auditor's address]

<sup>32</sup> 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 report.

<sup>33</sup> Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant responsible entities; and (b) setting out how the declaration would differ if it had been given to the relevant responsible entities at the time the auditor's report was made. A written independence declaration is required under section 60-40 of the ACNC Act 2012.

<sup>34</sup> The auditor's report needs to be signed in one or more of the following ways: name of the audit firm, the name of the audit company or the personal name of the auditor as appropriate.

<sup>35</sup> The date of the auditor's report is the date the auditor signs the report.

## Example 6: Auditor's Report

General Purpose Financial Report – Group entity Unmodified Opinion

**(Fair Presentation Framework)**

Circumstances include the following:

- **Relates to years ending after 15 December 2016 onwards.**
- **Audit of the financial report of a registered entity and its subsidiaries (the Group). The audit is a group audit (i.e. ASA 600 applies).**
- **The financial report is prepared by the responsible entities of the registered entity in accordance with ACNC Act and ACNC Regulation. The responsible entities have elected to report only the consolidated financial position and financial results in the primary financial statement.**
- **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 (including independence standards)*.**
- **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 registered entity's ability to continue as a going concern in accordance with ASA 570.**
- **The auditor is not required 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 in relation to the other information (i.e. the director's report included in the annual report).**
- **The financial report is audited by the auditor in accordance with Australian Auditing Standards.**

## INDEPENDENT AUDITOR'S REPORT

To the members of [name of registered entity]

**Report on the Audit of the Financial Report<sup>36</sup>****Opinion**

We [I]<sup>37</sup> have audited the financial report of [name of registered entity], (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 20XX, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year [period] then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities'<sup>38</sup> declaration.

In our [my] opinion, the accompanying financial report of [name of registered entity] has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

<sup>36</sup> The sub-title "Report on the Audit of the Financial Report" is unnecessary in circumstances when the second sub-title "Report on Other Legal and Regulatory Requirements", or other appropriate sub-title, is not applicable

<sup>37</sup> When an individual is taken to be a registered company auditor under section 60-30(1) (a) of the ACNC Act, the auditor's report is to be written in singular form.

<sup>38</sup> The term "responsible entities" could be replaced with director(s) of the company or trustee(s) of the trust or if the trustee is a body corporate, a director(s) of the trustee – see section 205-30 of the ACNC Act.

- a. giving a true and fair view of the Group's financial position as at 30 June 20XX and of its financial performance for the year [period] then ended; and
- b. complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### **Basis for Opinion**

We [I] conducted our [my] audit in accordance with Australian Auditing Standards. Our [My] responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our [my] report. We [I] are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our [my] audit of the financial report in Australia. We [I] have also fulfilled our [my] other ethical responsibilities in accordance with the Code.

We [I] believe that the audit evidence we [I] have obtained is sufficient and appropriate to provide a basis for our [my] 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.]*

The responsible entities are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 20XX, but does not include the financial report and our [my] auditor's report thereon.

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

In connection with our [my] audit of the financial report, our [my] 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 [my] knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### **Responsibilities of Responsible Entities for the Financial Report**

[Reporting in accordance with ASA 700 – see Example 4]

### **Auditor's Responsibilities for the Audit of the Financial Report**

[Reporting in accordance with ASA 700 – see Example 4]

### **[Independence]**

We [I] confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of [charity name], would be in the same terms if given to the responsible entities as time of this auditor's report.<sup>39</sup>

### **[Report on Other Legal and Regulatory Requirements]**

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities. Particular attention should be paid to the auditor's reporting

---

<sup>39</sup> Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant responsible entities; and (b) setting out how the declaration would differ if it had been given to the relevant responsible entities at the time the auditor's report was made. A written independence declaration is required under section 60-40 of the ACNC Act 2012.

responsibility under section 60-45(3)(b) of the ACNC Act. Where matters are to be reported, Examples 3 and 8 provide guidance.]

[Auditor's signature]<sup>40</sup>

[Date of the auditor's report]<sup>41</sup>

[Auditor's address]

---

<sup>40</sup> The auditor's signature is either in the name of the audit firm, the personal name of the auditor or both, as appropriate.

<sup>41</sup> The date of the auditor's report is the date the auditor signs the report.

*Australian Charities and Not-for-profits Commission Act 2012***Example 7: Auditor's Report**

Special Purpose Financial Report – Qualified Opinion (Limitation of Scope)

(Fair Presentation Framework)

**Circumstances include the following:**

- **Relates to years ending after 15 December 2016 onwards.**
- **The registered entity is a single entity and is considered to be “large”.**
- **The registered entity is a non-reporting entity.**
- **The registered entity has elected to prepare a special purpose financial report.**
- **The financial report has been prepared by the responsible entities of the registered entity in accordance with the ACNC Act and Division 60 (and in particular section 60.30) of the ACNC Regulation.**
- **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 (including independence standards)*.**
- **The auditor was unable to obtain sufficient appropriate audit evidence regarding the completeness of cash donations due to the impracticability to establish control over the collection of cash donations.**
- **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 in relation to the other information (i.e. the director's report included in the annual report).**
- **The financial report is audited by the auditor in accordance with Australian Auditing Standards.**
- **The auditor is not required to communicate key audit matters in accordance with ASA 701.**
- **Distribution or use of the auditor's report is not restricted.**

## INDEPENDENT AUDITOR'S REPORT

To the members of [name of registered entity]

**Report on the Audit of the Financial Report<sup>42</sup>****Qualified Opinion**

We [I]<sup>43</sup> have audited the financial report of [name of registered 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 [period] then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities'<sup>44</sup> declaration.

In our [my] opinion, except for the effects of the matter described in the *Basis of Qualified Opinion* section of our [my] report, the accompanying financial report of [name of registered entity] is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

<sup>42</sup> The sub-title “Report on the Audit of the Financial Report” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements”, or other appropriate sub-title, is not applicable.

<sup>43</sup> When an individual is taken to be a registered company auditor under section 60-30 (1) (a) of the ACNC Act, the auditor's report is to be written in singular form.

<sup>44</sup> The term “responsible entities” could be replaced with director(s) of the company or trustee(s) of the trust or if the trustee is a body corporate, a director(s) of the trustee – see section 205-30 of the ACNC Act.

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 20XX and of its financial performance for the year [period] ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note X, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### **Basis of Qualified Opinion**

Cash donations are a significant source of fundraising revenue for [name of registered entity]. The [name of registered entity] has determined that it is impracticable to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us [me] regarding fundraising revenue from this source was limited, our [my] audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We [I] therefore are unable to express an opinion on whether the recorded cash donations of [name of registered entity] are complete.

We [I] conducted our [my] audit in accordance with Australian Auditing Standards. Our [My] responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our [my] report. We [I] are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our [my] audit of the financial report in Australia. We [I] have also fulfilled our [my] other ethical responsibilities in accordance with the Code.

We [I] believe that the audit evidence we [I] have obtained is sufficient and appropriate to provide a basis for our [my] opinion.

### **Emphasis of Matter - Basis of Accounting**

We [I] draw attention to Note X to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our [My] opinion is not modified in respect of this matter.

### **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.]*

The responsible entities are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 20XX, but does not include the financial report and our [my] auditor's report thereon.

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

In connection with our [my] audit of the financial report, our [my] 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 [my] knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### **Responsibility of the Responsible Entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note X to the financial report is appropriate to meet the requirements of the ACNC Act [and the needs of the members [or other appropriate terms]]. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a

financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity'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 the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our [My] objectives are to obtain reasonable assurance about whether the financial report<sup>45</sup> as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our [my] opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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.

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 [I] exercise professional judgement and maintain professional scepticism throughout the audit. We [I] 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 my 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 registered entity's internal control.<sup>46</sup>
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities 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 registered entity's ability to continue as a going concern. If we [I] conclude that a material uncertainty exists, we [I] are required to draw attention in our [my] auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our [my] opinion. Our [My] conclusions are based on the audit evidence obtained up to the date of our [my] auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

<sup>45</sup> Section 60-45(1),(2) and (3)(a) of the ACNC Act requires the auditor to include details if the financial report has not been prepared in accordance with Division 60 of the ACNC Act. Under these sections, the auditor is required to explain why and where possible, quantify the effect of this non-compliance on the financial report. If such quantification is not possible, the auditor is to explain why. The auditor is also required to describe any material defect or irregularity in the financial report.

<sup>46</sup> 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 report.

- 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 [I] communicate with responsible entities 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 [I] identify during our [my] audit.

### **[Independence]**

We [I] confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of [charity name], would be in the same terms if given to the responsible entities as time of this auditor's report.<sup>47</sup>

### **[Report on Other Legal and Regulatory Requirements]**

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities. Particular attention should be paid to the auditor's reporting responsibilities under section 60-45(3) (b) of the ACNC Act. Where matters are to be reported, example Auditor's report 5 provides guidance.]

[Auditor's signature]<sup>48</sup>

[Date of the auditor's report]<sup>49</sup>

[Auditor's address]

---

<sup>47</sup> Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant responsible entities; and (b) setting out how the declaration would differ if it had been given to the relevant responsible entities at the time the auditor's report was made. A written independence declaration is required under section 60-40 of the ACNC Act 2012.

<sup>48</sup> The auditor's report needs to be signed in one or more of the following ways: name of the audit firm, the name of the audit company or the personal name of the auditor as appropriate.

<sup>49</sup> The date of the auditor's report is the date the auditor signs the report.

*Australian Charities and Not-for-profits Commission Act 2012***Example 8: Auditor's Report**

## General Purpose Financial Report – Unmodified Opinion

## (Fair Presentation Framework)

**Circumstances include the following:**

- **Relates to years ending after 15 December 2016 onwards.**
- **The registered entity is a single entity and is considered to be “large”.**
- **The registered entity is a reporting entity and its general purpose financial report has been prepared by the responsible entities in accordance with Australian Accounting Standards, the ACNC Act and ACNC Regulation.**
- **The auditor has reported a deficiency identified under section 60-45(3) of the ACNC Act.**
- **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 (including independence standards)*.**
- **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 company's ability to continue as a going concern in accordance with ASA 570.**
- **The auditor has no other reporting responsibilities.**
- **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 in relation to the other information (i.e. the director's report included in the annual report).**
- **The financial report is audited by the auditor in accordance with Australian Auditing Standards.**

## INDEPENDENT AUDITOR'S REPORT

To the members of [name of registered entity]

**Report on the Audit of the Financial Report<sup>50</sup>****Opinion**

We [I]<sup>51</sup> have audited the accompanying financial report of [name of registered 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 [period] then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities'<sup>52</sup> declaration.

In our [my] opinion, the accompanying financial report of [name of registered entity] has been prepared in accordance with Division 60 the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 20XX and of its financial performance for the year [period] then ended; and

<sup>50</sup> The sub-title “Report on the Audit of the Financial Report” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements”, or other appropriate sub-title, is not applicable.

<sup>51</sup> When an individual is taken to be a registered company auditor under section 60-30 (1) (a) of the ACNC Act, the auditor's report is to be written in singular form.

<sup>52</sup> The term “responsible entities” could be replaced with director(s) of the company or trustee(s) of the trust or if the trustee is a corporate, a director(s) of the trustee – see section 205-30 of the ACNC Act.

- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### **Basis for Opinion**

We [I] conducted our [my] audit in accordance with Australian Auditing Standards. Our [My] responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our [my] report. We [I] are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our [my] audit of the financial report in Australia. We [I] have also fulfilled our [my] other ethical responsibilities in accordance with the Code.

We [I] believe that the audit evidence we [I] have obtained is sufficient and appropriate to provide a basis for our [my] 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.]*

The responsible entities are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 20XX, but does not include the financial report and our [my] auditor's report thereon.

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

In connection with our [my] audit of the financial report, our [my] 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 [my] knowledge obtained in the audit or otherwise appears to be materially misstated.

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

### **Responsibilities of Responsible Entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act,<sup>53</sup> and for such internal control as the responsible entities determine 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, the responsible entities are responsible for assessing the registered 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 the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Responsible entities are responsible for overseeing the responsible entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our [My] objectives are to obtain reasonable assurance about whether the financial report<sup>54</sup> as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's

<sup>53</sup> Where responsible entities responsibility is to prepare a financial report that gives a true and fair view, this may read: "Responsible entities are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and for such ..."

<sup>54</sup> Section 60-45(1),(2) and (3)(a) of the ACNC Act requires the auditor to include details if the financial report has not been prepared in accordance with Division 60 of the ACNC Act. Under these sections, the auditor is required to explain why and where possible, quantify the effect of this non-compliance on the financial report. If such quantification is not possible, the auditor is to explain why. The auditor is also required to describe any material defect or irregularity in the financial report.

report that includes our [my] 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.

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 [I] exercise professional judgement and maintain professional scepticism throughout the audit. We [I] 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 [my] 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 registered entity's internal control.<sup>55</sup>
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 registered entity's ability to continue as a going concern. If we [I] conclude that a material uncertainty exists, we [I] are required to draw attention in our [my] auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our [my] opinion. Our [My] conclusions are based on the audit evidence obtained up to the date of our [my] auditor's report. However, future events or conditions may cause the registered 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 [I] communicate with responsible entities 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 [I] identify during our [my] audit.

## [Independence

We [I] confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of [charity name], would be in the same terms if given to the responsible entities as time of this auditor's report.]<sup>56</sup>

<sup>55</sup> 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 report.

<sup>56</sup> Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant responsible entities; and (b) setting out how the declaration would differ if it had been given to the relevant responsible entities at the time the auditor's report was made. A written independence declaration is required under section 60-40 of the ACNC Act 2012.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 60-45(3) (b) of the ACNC Act, we [I] are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in paragraph 60-30(3)(b), (c) or (d) of the ACNC Act.

Our [My] opinion on the financial report is not modified in respect of the following matter(s) because, in our [my] opinion, it [they] has [have] been appropriately addressed by [name of registered entity] and is [are] not considered material in the context of the audit of the financial report as a whole<sup>57</sup>:

[Example:

- a) [Name of registered entity] failed to keep [name of other record] as required by section 55-5 of the ACNC Act for the period 1 July 2022 to 6 July 2022 inclusive.]

[Auditor's signature]<sup>58</sup>

[Date of the auditor's report]<sup>59</sup>

[Auditor's address]

---

<sup>57</sup> Provide appropriate details of all instances of a deficiency, failure or shortcoming in respect of the matters mentioned in paragraph 60-30(3)(b), (c), or (d) of the ACNC Act by [name of registered entity] including all those reported to the ACNC by [name of registered entity].

<sup>58</sup> The auditor's report needs to be signed in one or more of the following ways: name of the audit firm, the name of the audit company or the personal name of the registered company auditor, as appropriate.

<sup>59</sup> The date of the auditor's report is the date the auditor signs the report.

*Australian Charities and Not-for-profits Commission Act 2012***Example 9: Auditor's Report**

Special Purpose Financial Report – Unmodified Opinion, material uncertainty, material misstatement in relation to other information

(Fair Presentation Framework)

**Circumstances include the following:**

- **Relates to years ending after 15 December 2016 onwards.**
- **The registered entity is a single entity and is considered to be “large”. The audit is not a group audit (i.e. ASA 600 does not apply).**
- **The registered entity is a non-reporting entity.**
- **The registered entity has elected to prepare a special purpose financial report.**
- **The financial report is prepared by the responsible entities in accordance with the ACNC Act and ACNC Regulation.**
- **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 (including independence standards).**
- **Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does exist related to events or conditions that may cast significant doubt on the registered entity’s ability to continue as a going concern. The disclosure of the material uncertainty in the financial report is adequate.**
- **The auditor has obtained all of the other information prior to the date of the auditor’s report and has identified a material misstatement in relation to the other information (i.e. the director’s report included in the annual report).**
- **The financial report is audited by the auditor in accordance with Australian Auditing Standards.**
- **The auditor is not required to communicate key audit matters in accordance with ASA 701.**
- **Distribution or use of the auditor’s report is not restricted.**

## INDEPENDENT AUDITOR’S REPORT

To the members of [name of registered entity]

**Report on the Audit of the Financial Report<sup>60</sup>****Opinion**

We [I]<sup>61</sup> have audited the financial report of [name of registered 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 [period] then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities’<sup>62</sup> declaration.

In our [my] opinion, the accompanying financial report of [name of registered entity], is in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

<sup>60</sup> The sub-title “Report on the Audit of the Financial Report” is unnecessary in circumstances when the second sub-title “Report on Other Legal and Regulatory Requirements”, or other appropriate sub-title, is not applicable

<sup>61</sup> When an individual is taken to be a registered company auditor under section 60-30(1) (a) of the ACNC Act, the auditor’s report is to be written in singular form.

<sup>62</sup> The term “responsible entities” could be replaced with director(s) of the company or trustee(s) of the trust or if the trustee is a body corporate, a director(s) of the trustee – see section 205-30 of the ACNC Act.

- (c) giving a true and fair view of the registered entity's financial position as at 30 June 20XX and of its financial performance for the year [period] then ended; and
- (d) complying with Australian Accounting Standards to the extent described in Note X, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### **Basis for opinion**

We [I] conducted our [my] audit in accordance with Australian Auditing Standards. Our [My] responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our [my] report. We [I] are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our [my] audit of the financial report in Australia. We [I] have also fulfilled our [my] other ethical responsibilities in accordance with the Code.

We [I] believe that the audit evidence we [I] have obtained is sufficient and appropriate to provide a basis for our [my] opinion.

### **Material Uncertainty Related to Going Concern**

We [I] draw attention to Note X in the financial report, which indicates that the registered entity incurred a net loss of xxx during the year ended 30 June 20XX and, as of that date, the registered entity's current liabilities exceeded its total assets by XXX. As stated in Note X, these events or conditions, along with other matters as set forth in Note X, indicate that a material uncertainty exists that may cast significant doubt on the registered entity's ability to continue as a going concern. Our [My] opinion is not modified in respect of this matter.

### **Emphasis of Matter - Basis of Accounting**

We [I] draw attention to Note X to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the responsible entities' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our [My] opinion is not modified in respect of this matter.

### **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.]*

The responsible entities are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 20XX, but does not include the financial report and our [my] auditor's report thereon.

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

In connection with our [my] audit of the financial report, our [my] 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 [my] knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we [I] have performed, we [I] conclude that there is a material misstatement of this other information, we are [I am] required to report that fact. As described below, we have concluded that such a material misstatement of other information exists.

*[Description of material misstatement of the other information]*

### **Responsibility of the Responsible Entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note X to the financial report is appropriate to meet the requirements of the ACNC Act [and the needs

of the members [or other appropriate terms]]. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entities ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our [My] objectives are to obtain reasonable assurance about whether the financial report<sup>63</sup> as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our [my] opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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.

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 [I] exercise professional judgement and maintain professional scepticism throughout the audit. We [I] 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 [my] 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 registered entity's internal control.<sup>64</sup>
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 registered entity's ability to continue as a going concern. If we [I] conclude that a material uncertainty exists, we [I] are required to draw attention in our [my] auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our [my] opinion. Our [My] conclusions are based on the audit evidence obtained up to the date of our [my] auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

<sup>63</sup> Section 60-45(1),(2) and (3)(a) of the ACNC Act requires the auditor to include details if the financial report has not been prepared in accordance with Division 60 of the ACNC Act. Under these sections, the auditor is required to explain why and where possible, quantify the effect of this non-compliance on the financial report. If such quantification is not possible, the auditor is to explain why. The auditor is also required to describe any material defect or irregularity in the financial report.

<sup>64</sup> 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 report.

- 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 [I] communicate with the responsible entities 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 [I] identify during our [my] audit.

### **[Independence]**

We [I] confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of [charity name], would be in the same terms if given to the responsible entities as time of this auditor's report.<sup>65</sup>

### **[Report on Other Legal and Regulatory Requirements]**

[Form and content of this section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities. Particular attention should be paid to the auditor's reporting responsibility under section 60-45(3) (b) of the ACNC Act. Where matters are to be reported, example Auditor's Report 8 provides guidance.]

[Auditor's signature]<sup>66</sup>

[Date of the auditor's report]<sup>67</sup>

[Auditor's address]

---

<sup>65</sup> Or, alternatively, include statements (a) to the effect that circumstances have changed since the declaration was given to the relevant responsible entities; and (b) setting out how the declaration would differ if it had been given to the relevant responsible entities at the time the auditor's report was made. A written independence declaration is required under section 60-40 of the ACNC Act 2012.

<sup>66</sup> The auditor's report needs to be signed in one or more of the following ways: name of the audit firm, the name of the audit company or the personal name of the auditor as appropriate.

<sup>67</sup> The date of the auditor's report is the date the auditor signs the report.