Appendix 6

(Ref: Para. A57)

EXAMPLE ASSURANCE REPORTs ON compliance

###### Example 1: Limited Assurance Report on compliance with the [compliance requirements] as evaluated against the [suitable criteria] (Direct engagement)

###### Example 2: Reasonable Assurance Report on compliance with the [compliance requirements] as evaluated against the [suitable criteria] (Direct engagement)

###### Example 3: Reasonable Assurance Report on ABC’s Statement of Compliance with the [compliance requirements] as evaluated against the [suitable criteria] (Attestation engagement)

*The following examples of reports are for guidance only and are not intended to be exhaustive or applicable to all situations. They can be applied to both attestation and direct engagements. These examples are short‑form reports but may be converted to long‑form reports by inclusion of additional information as indicated*.

###### Example 1: Limited Assurance Report on compliance with the [compliance requirements] as evaluated against the suitable criteria (Direct engagement)

Independent Assurance Report

[*Appropriate* *Addressee*]

Conclusion

We have undertaken a limited assurance engagement on ABC’s compliance, in all material respects, with the [compliance requirements] as evaluated against the [suitable criteria], [throughout the specified period or as at a specified date].

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that ABC, has not complied in all material respects, with the [compliance requirements] as evaluated against the [suitable criteria] [throughout the specified period or as at a specified date].

[For a long‑form report include a separate section, under an appropriate heading, or reference to an attachment for any additional information agreed in the terms of engagement to be provided to users, for example:

* Terms of the engagement.
* Criteria and compliance requirements being used.
* Descriptions of the tests of compliance that were performed.
* Findings relating to the tests of compliance that were performed or particular aspects of the engagement.
* Details of the qualifications and experience of the assurance practitioner and others involved with the engagement.
* Disclosure of materiality levels.
* Recommendations for improvements to the compliance framework or processes around particular compliance activities].

Basis for Conclusion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance* *Engagements* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

ABC’s Responsibilities

ABC is responsible for:

* 1. The compliance activity undertaken to meet the [compliance requirements];
  2. Identification of risks that threaten the [compliance requirements] identified above being met and controls which will mitigate those risks and monitor ongoing compliance.

Our Independence and Quality Management

We have complied with the independence and relevant ethical requirements,[[1]](#footnote-1)\* which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1,[[2]](#footnote-2)# which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner’s Responsibilities

Our responsibility is to express a limited assurance conclusion on ABC’s compliance, in all material respects, with the [compliance requirements] as evaluated against the [suitable criteria],[throughout the specified period or as at a specified date]. ASAE 3100 requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that, ABC has not complied, in all material respects, with the [compliance requirements], as evaluated against the [suitable criteria], [throughout the specified period or as at a specified date].

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk‑throughs and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material non‑compliance with the [compliance requirements] is likely to arise.

[*Insert* *an* *informative* *summary* *of* *the* *nature*, *timing* *and* *extent* *of* *procedures* *performed* *that*, *in* *the* *assurance* *practitioner’s* *judgement*, *provides* *additional* *information* *that* *may* *be* *relevant* *to* *the* *users’* *understanding* *of* *the* *basis* *for* *the* *assurance* *practitioner’s* *conclusion*. *The* *following* *section* *has* *been* *provided* *as* *guidance*, *and* *the* *example* *procedures* *are* *not* *an* *exhaustive* *list* *of* *either* *the* *type*, *or* *extent*, *of* *the* *procedures* *which* *may* *be* *important* *for* *the* *users’* *understanding* *of* *the* *work* *performed*].[[3]](#footnote-3)

Given the circumstances of the engagement, in performing the procedures listed above we:

* Through discussion, enquiries and observation, obtained an understanding of ABC’s compliance framework and internal control environment to meet the [compliance requirements], as evaluated against the [suitable criteria].
* Through discussion, enquiries, observation and walk‑throughs, obtained an understanding of relevant [compliance activities] that are undertaken to meet the [compliance requirements], as evaluated against the [suitable criteria].

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on compliance with the [compliance requirements].

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non‑compliance with compliance requirementsmay occur and not be detected.

A limited assurance engagement [throughout the specified period or as at specified date] does not provide assurance on whether compliance with the [compliance requirements] will continue in the future.

[Restricted Use][[4]](#footnote-4)

[This report has been prepared for use by [intended users] for the purpose of [explain purpose]. We disclaim any assumption of responsibility for any reliance on this report to any person other than [intended users], or for any other purpose other than that for which it was prepared.]

[Assurance practitioner’s signature][[5]](#footnote-5)

[Date of the assurance practitioner’s assurance report]

[*Assurance* *practitioner’s* *location*][[6]](#footnote-6)

###### Example 2: Reasonable Assurance Report on compliance with the [compliance requirements] as evaluated against the [suitable criteria] (Direct engagement)

Independent Assurance Report

[*Appropriate* *Addressee*]

Opinion

We have undertaken a reasonable assurance engagement on ABC’s compliance, in all material respects, with the [compliance requirements] as evaluated against the [suitable criteria], [throughout the specified period or as at a specified date].

In our opinion, ABC has complied, in all material respects with the [compliance requirements] as evaluated against the [suitable criteria] [throughout the specified period or as at a specified date].

[*For* *a* *long*‑*form* *report*, *include* *a* *separate* *section*, *under* *an* *appropriate* *heading*, *or* *reference* *to* *an* *attachment* *for* *any* *additional* *information* *agreed* *in* *the* *terms* *of* *engagement* *to* *be* *provided* *to* *users*, *for* *example*:

* Terms of the engagement.
* Criteria and compliance requirements being used.
* Descriptions of the tests of compliance that were performed.
* Findings relating to the tests of compliance that were performed or particular aspects of the engagement.
* Details of the qualifications and experience of the assurance practitioner and others involved with the engagement.
* Disclosure of materiality levels.
* Recommendations for improvements to the compliance framework or processes around particular compliance activities].

Basis for Opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance* *Engagements* issued by the Auditing and Assurance Standards Board.

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

ABC’s Responsibilities

ABC is responsible for:

* 1. The compliance activity undertaken to meet the [compliance requirements];
  2. Identification of risks that threaten the [compliance requirements] identified above being met and controls which will mitigate those risks and monitor ongoing compliance.

Our Independence and Quality Management

We have complied with the independence and relevant ethical requirements,[[7]](#footnote-7)\* which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1,[[8]](#footnote-8)# which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner’s Responsibilities

Our responsibility is to express an opinion on ABC’s compliance, in all material respects, with the [compliance requirements] as evaluated against the [suitable criteria] [throughout the specified period or as at a specified date]. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether, ABC has complied, in all material respects, with the [compliance requirements] as evaluated against the [suitable criteria], [throughout the specified period or as at a specified date].

An assurance engagement to report on ABC’s compliance with the [compliance requirements] involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the [compliance requirements]. The procedures selected depend on our judgement, including the identification and assessment of risks of material non‑compliance with the [compliance requirements], as evaluated against the [suitable criteria].

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non‑compliance with compliance requirements may occur and not be detected.

A reasonable assurance engagement [throughout the specified period or as at a specified date] does not provide assurance on whether compliance with the [compliance requirements] will continue in the future.

[Restricted Use][[9]](#footnote-9)

[This report has been prepared for use by [intended users] for the purpose of [explain purpose]. We disclaim any assumption of responsibility for any reliance on this report to any person other than [intended users], or for any other purpose other than that for which it was prepared.]

[Assurance practitioner’s signature][[10]](#footnote-10)

[Date of the assurance practitioner’s assurance report]

[Assurance practitioner’s location][[11]](#footnote-11)

**Example** **3**: **Reasonable** **Assurance** **Report** **on** **ABC’s** **Statement** **of** **Compliance** **with** **the** [**compliance** **requirements**] **as** **evaluated against** **the** [**suitable** **criteria]** (**Attestation** **engagement**)

Independent Assurance Report

[*Appropriate* *Addressee*]

Opinion

We have undertaken a reasonable assurance engagement on ABC’s Statement of compliance, in all material respects, with the [compliance requirements], as evaluated against the [suitable criteria], [throughout the specified period or as at a specified date]. This Statement will accompany our report, for the purpose of reporting to [identify intended users].

In our opinion, ABC’s Statement[[12]](#footnote-12) that the entity has complied with the [compliance requirements] is, in all material respects, fairly presented as evaluated against the [suitable criteria] [throughout the specified period or as at a specified date].

[*For* *a* *long*‑*form* *report*, *include* *a* *separate* *section*, *under* *an* *appropriate* *heading*, *or* *reference* *to* *an* *attachment* *for* *any* *additional* *information* *agreed* *in* *the* *terms* *of* *engagement* *to* *be* *provided* *to* *users*, *for* *example*:

* Terms of the engagement.
* Criteria and compliance requirements being used.
* Descriptions of the tests of compliance that were performed.
* Findings relating to the tests of compliance that were performed or particular aspects of the engagement.
* Details of the qualifications and experience of the assurance practitioner and others involved with the engagement.
* Disclosure of materiality levels.
* Recommendations for improvements to the compliance framework or processes around particular compliance activities].

Basis for Opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance* *Engagements* issued by the Auditing and Assurance Standards Board.

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

ABC’s Responsibilities

ABC is responsible for:

* 1. Providing a Statement with respect to the outcome of the evaluation of the compliance activity against the [compliance requirements], which accompanies this independent assurance report.
  2. Identification of the [compliance requirements] if not identified by law and regulation.
  3. The compliance activity undertaken to meet the [compliance requirements]; and
  4. Identification and implementation of controls which will mitigate those risks that prevent the [compliance requirements] being met and monitor ongoing compliance.

Our Independence and Quality Management

We have complied with the independence and relevant ethical requirements,[[13]](#footnote-13)\* which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1,[[14]](#footnote-14)# which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner’s Responsibilities

Our responsibility is to express an opinion, on ABC’s Statement of compliance with the [compliance requirements], in all material respects as evaluated against the [suitable criteria] [throughout the specified period or as at a specified date]. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether, ABC’s Statement that the entity has complied with the [compliance requirements] is, in all material respects, fairly presented as evaluated against the [suitable criteria] [throughout the specified period or as at a specified date].

An assurance engagement to report on ABC’s Statement of the entity’s compliance with the [compliance requirements] involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the [compliance requirements]. The procedures selected depend on our judgement, including the identification and assessment of risks of material misstatements in ABC’s Statement are likely to arise.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non‑compliance with compliance requirements may occur and not be detected.

A reasonable assurance engagement [throughout the specified period or as at a specified date] does not provide assurance on whether compliance with the [compliance requirements] will continue in the future.

[Restricted Use][[15]](#footnote-15)

[This report has been prepared for use by [intended users] for the purpose of [explain purpose]. We disclaim any assumption of responsibility for any reliance on this report to any person other than [intended users], or for any other purpose other than that for which it was prepared.]

[Assurance practitioner’s signature][[16]](#footnote-16)

[Date of the assurance practitioner’s assurance report]

[Assurance practitioner’s location][[17]](#footnote-17)

1. \* See ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*. [↑](#footnote-ref-1)
2. # See ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*. [↑](#footnote-ref-2)
3. The procedures are to be summarised but not to the extent that they are ambiguous, nor described in a way that is overstated or embellished or that implies that reasonable assurance has been obtained. It is important that the description of the procedures does not give the impression that an agreed-upon procedures engagement has been undertaken, and in most cases will not detail the entire work plan. [↑](#footnote-ref-3)
4. Insert section if the report is restricted use. [↑](#footnote-ref-4)
5. The assurance practitioner’s report needs to be signed in one or more of the following ways: name of the assurance practitioner’s firm, name of the assurance practitioner’s company or the personal name of the assurance practitioner as appropriate. [↑](#footnote-ref-5)
6. The assurance practitioner’s address includes the location in the jurisdiction where the assurance practitioner practices. [↑](#footnote-ref-6)
7. \* See ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*. [↑](#footnote-ref-7)
8. # See ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*. [↑](#footnote-ref-8)
9. Insert section if the report is restricted use. [↑](#footnote-ref-9)
10. The assurance practitioner’s report needs to be signed in one or more of the following ways: name of the assurance practitioner’s firm, name of the assurance practitioner’s company or the personal name of the assurance practitioner as appropriate. [↑](#footnote-ref-10)
11. The assurance practitioner’s address includes the location in the jurisdiction where the assurance practitioner practices. [↑](#footnote-ref-11)
12. This attestation example report is expressed in tems of the responsible party’s or evaluator’s Statement of compliance. If a Statement is not provided the assurance practitioner’s conclusion would be expressed in terms of whether the compliance requirements have been met. [↑](#footnote-ref-12)
13. \* See ASA 102 *Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements*. [↑](#footnote-ref-13)
14. # See ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*. [↑](#footnote-ref-14)
15. Insert section if the report is restricted use. [↑](#footnote-ref-15)
16. The assurance practitioner’s report needs to be signed in one or more of the following ways: name of the assurance practitioner’s firm, name of the assurance practitioner’s company or the personal name of the assurance practitioner as appropriate. [↑](#footnote-ref-16)
17. The assurance practitioner’s address includes the location in the jurisdiction where the assurance practitioner practices. [↑](#footnote-ref-17)