Appendix 5

(Ref: Para. 214, 291; Appendix 4)

## EXAMPLE ANNUAL PRUDENTIAL ASSURANCE REPORT

**Engagements undertaken pursuant to APRA Prudential Standard APS 910 *Financial Claims Scheme* (Routine Reporting)**

The following example auditor’s report is to be used as a guide only and will need to be adapted according to the individual engagement requirements and circumstances of the ADI.

**Note:**

APRA’s preference is for a separate assurance report to be prepared for the purpose of reporting pursuant to APS 910, which is required to be submitted to APRA at the same time as the APS 310 assurance report.

To:

[Appropriate addressee[[1]](#footnote-2)] of [name of ADI]

[Australian Prudential Regulation Authority]

**Independent Auditor’s Annual Prudential Assurance Report pursuant to APRA Prudential Standard APS 910 *Financial Claims Scheme* for the period [date] to [date]**

1. **Introduction**

We have performed a limited assurance engagement on the adequacy of design and operating effectiveness of the controls of [insert ADI name] (the ADI) in relation to the Single Customer View (SCV) data and Financial Claims Scheme (FCS) payment instruction and reporting information from [start date] to [end date] pursuant to the reporting requirements specified in Australian Prudential Regulation Authority (APRA) Prudential Standard APS 310 *Audit and Related Matters* (APS 310) and Prudential Standard APS 910 *Financial Claims Scheme* (APS 910) [[2]](#footnote-3). This assurance report pertains to the ADI being able to meet the requirements of APS 910 in the event it is declared subject to the FCS. This report should be read in conjunction with the *Independent Auditor’s Annual Prudential Assurance Report pursuant to APRA Prudential Standard(s) APS 310 [and 3PS 310] Audit and Related Matters for the financial year ended [year end]* dated [date of APS 310 report[[3]](#footnote-4)] which was issued in accordance with the reporting requirements of APS 310.

APS 310 and APS 910 require the ADI to appoint an independent auditor to undertake annual assurance engagements, as set out in those Prudential Standards. The responsibilities and reporting requirements arising from this appointment have been outlined in our letter of engagement dated [insert date].

[Our independent auditor’s report on the financial report of [insert ADI name and group name] for the year ended [insert day, month and year end] was signed on [date] and [was/was not] subject to modification. As statutory auditor, our work is directed towards obtaining sufficient audit evidence to form an opinion under the *Corporations Act 2001*. This audit work was not designed to enable us to conclude on the matters outlined in APS 310 and APS 910.

Accordingly, we have performed additional procedures in order to form our conclusions, as applicable, pursuant to the reporting requirements specified in APS 310 and APS 910 for the ADI, as they relate to APS 910.][[4]](#footnote-5)

1. **Conclusion(s) [and/or [Qualified/Adverse/Disclaimer of] Conclusion(s)][[5]](#footnote-6)**

Our limited assurance conclusions have been formed on the basis of the matters outlined in this assurance report.

[Where the auditor determines it necessary to issue a modified conclusion(s), the respective part(s) are modified as appropriate]

**PART A – Limited Assurance on Internal Controls addressing Generation of SCV Data and FCS Payment Instruction and Reporting Information[[6]](#footnote-7)**

Based on the procedures we have performed and the evidence we have obtained as part of our limited assurance engagement, which is not a reasonable assurance engagement, [except for the effect of the matter(s) described in the *Basis for Conclusion(s) [and/or [Qualification/Adverse/Disclaimer of] Conclusion(s)]* section of this report,] nothing has come to our attention that causes us to believe that, in all material respects, throughout the period from [start date] to [end date]:

1. the ADI did not have controls that are designed to ensure that SCV data as set out in Attachment A to APS 910, to the extent practicable, and FCS payment instruction and reporting information can be relied upon as being complete and accurate and in accordance with APS 910; and
2. these controls have not operated effectively when tested.

**PART B** **– Limited Assurance on Internal Controls addressing Compliance with Prudential Requirements[[7]](#footnote-8) relating to APS 910 conducted as part of APS 310 Requirements[[8]](#footnote-9)**

Based on the procedures we have performed and the evidence we have obtained as part of our limited assurance engagement, which is not a reasonable assurance engagement, [except for the effect of the matter(s) described in the *Basis for Conclusion(s) [and/or [Qualification/Adverse/Disclaimer of] Conclusion(s)]* section of this report,] nothing has come to our attention that causes us to believe that, in all material respects, throughout the period from [start date] to [end date]:

1. the ADI did not have controls that are designed to ensure compliance with all applicable Prudential Requirements relating to APS 910; and
2. these controls have not operated effectively.

**PART C – Reporting on Compliance with Prudential Requirements[[9]](#footnote-10)**

Based on the procedures we have performed and the evidence we have obtained as part of our limited assurance engagements in Parts A and B above, [except for the effects of the matter(s) described in the *Basis for Conclusion(s) [and/or [Qualification/Adverse/Disclaimer of] Conclusion(s)]* section of this report,] nothing has come to our attention that causes us to believe that, for the period [start date] to [end date], the ADI has not, in all material respects, complied with all relevant Prudential Requirements under the *Banking Act 1959* (Banking Act) relating to APS 910.

1. **Basis for Conclusion(s) [and/or [Qualified/Adverse/Disclaimer of] Conclusion(s)**

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls*, issued by the Auditing and Assurance Standards Board (AUASB). Our responsibilities under this Standard are further described in the *Appointed Auditor’s Responsibilities* section of this report.

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

[If applicable: The bases for any modification of our conclusions below, are set out in Attachment 1 to this report.][[10]](#footnote-11)

1. **Responsibilities of the [Title of Those Charged with Governance][[11]](#footnote-12) and Management of the ADI**

In accordance with APS 310, as it pertains to APS 910, it is the responsibility of the [Title of those charged with governance] and management of the ADI to:

1. establish and maintain internal controls that are designed to ensure the ADI complies with all applicable prudential requirements;
2. ensure that these controls operated effectively throughout the financial year; and
3. ensure that the ADI complies with all relevant Prudential Requirements under the Banking Act, including compliance with Prudential Standards, throughout the financial year.

In addition, in accordance with APS 910 specifically, it is the responsibility of the [Title of those charged with governance] and management of the ADI to ensure that appropriate policies and procedures are in place to ensure the integrity of operations, internal controls and information required by APS 910. This includes, but is not limited to, responsibility for:

1. undertaking all necessary steps to ensure compliance with APS 910;
2. ensuring systems and processes are in place to identify, to the extent practicable, each unique account-holder who holds a protected account;
3. calculating a SCV for each unique account holder identified in accordance with relevant requirements;
4. being able to generate and transmit payment instruction information for FCS purposes to the RBA, or another paying agent nominated by APRA;
5. being able to generate and transmit reporting information to APRA, an account-holder, the Australian Tax Office (ATO) and any other party nominated by APRA;
6. ensuring systems and associated controls are adequate for the purposes of ensuring that data generated by SCV systems are complete and accurate, to the extent practicable;
7. ensuring systems and associated controls are adequate for the purposes of ensuring that the FCS payment instruction and reporting information generated and transmitted by the systems, including the ability to capture alternative ADI account data, are complete and accurate;
8. complying with the communications requirements set out in APS 910; and
9. complying with the testing requirements set out in APS 910.
10. **Independence and Quality Control**

In undertaking this assurance engagement, we have complied with:

1. the relevant ethical requirements of the Accounting Professional & Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour;
2. the independence requirements specified by APRA in Prudential Standard CPS 510 *Governance*;
3. the fitness and propriety criteria specified by APRA in Prudential Standard CPS 520 *Fit and Proper*; and
4. Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements.*
5. **Appointed Auditor’s Responsibilities**

Our responsibility is to perform a limited assurance engagement as required under APS 310 and APS 910, and to express a conclusion, based on our engagement as described below, on whether anything has come to our attention that causes us to believe that, in all material respects, throughout the period from [start date] to [end date]:

**PART A – Generation of SCV Data and FCS Payment Instruction and Reporting Information**

In relation to APS 910, paragraph 27:

1. the ADI did not have controls that are designed to ensure that SCV data, to the extent practicable, and FCS payment instruction and reporting information can be relied upon as being complete and accurate and in accordance with APS 910; and
2. these controls have not operated effectively when tested.

[Please refer this responsibility to Part A of Section 2 *Conclusion(s) [and/or [Qualified/Adverse/Disclaimer of] Conclusion(s)]* of this report.]

**PART B – Internal Controls addressing Compliance with Prudential Requirements relating to APS 910 conducted as part of APS 310 Requirements**

In relation to APS 310 paragraph 36(d):

1. the ADI did not have controls that are designed to ensure that the ADI complies with all applicable prudential requirements relating to APS 910; and
2. these controls have not operated effectively throughout the financial year.

[Please refer this responsibility to Part B of Section 2 *Conclusion(s) [and/or [Qualified/Adverse/Disclaimer of] Conclusion(s)]* of this report.]

**PART C – Reporting on Compliance with Prudential Requirements**

In relation to APS 310 paragraph 36, based on our work performed under Parts A and B above, the ADI has not, in all material respects, complied with all relevant prudential requirements under the Banking Act relating to APS 910.

[Please refer this responsibility to Part C of Section 2 *Conclusion(s) [and/or [Qualified/Adverse/Disclaimer of] Conclusion(s)]* of this report.]

*Scope of Limited Assurance Engagement*

A limited assurance engagement on controls in accordance with ASAE 3150 involves performing procedures to obtain evidence about the design, implementation and operating effectiveness of controls. The procedures selected depend on our judgement, including our assessment of the risks of material deficiencies in the design and/or implementation of the controls, or deviation in their operating effectiveness. In making those risk assessments, we considered internal control systems and compliance functions relevant to ensuring compliance with APS 910 and specifically the requirements set out above in relation to the SCV data and FCS payment instruction and reporting information.

Procedures performed in our limited assurance engagement primarily consist of making enquiries of management and other responsible personnel within the ADI, examination of design specifications and documentation on a sample basis, observation of implementation and operation of the controls, events or business routines implemented by the ADI as well as testing practices and results in order to meet the control objectives identified in Attachment 3 of this report [[12]](#footnote-13).

[*The auditor considers including an informative summary of the nature, timing and extent of procedures performed that, in the auditor’s judgement, provides additional information that may be relevant to the users’ understanding of the basis for the auditor’s conclusion.*[[13]](#footnote-14)]

Where we become aware of matters that cause us to believe that the controls may not be suitably designed, implemented or operating effectively, we will perform additional procedures.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are substantially less in scope than for a reasonable assurance engagement conducted in accordance with Australian Auditing and Assurance Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit/ reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on the controls.

1. **Inherent limitations**

Due to the inherent limitations of any internal control and compliance framework it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved and that fraud, error, or non-compliance with Prudential Requirements may occur and not be detected. Further, the internal control structure, within which the controls that we have assured operate, has not been assured and no opinion is expressed as to its design or operating effectiveness.

Projections of any evaluation of internal control procedures or compliance measures to future periods are subject to the risk that control procedures may become inadequate because of changes in conditions, or that the degree of compliance may deteriorate.

A limited assurance engagement is not designed to detect all deficiencies in internal controls, or instances of non-compliance with applicable Prudential Requirements, as procedures are not performed continuously throughout the period and procedures performed are undertaken on a test basis.

Consequently, there are inherent limitations on the level of assurance that can be provided.

The conclusions in this report are to be read in the context of the foregoing comments.

1. **General and Specific Observations**

In addition to any scope limitations and other qualifications reported in Attachment 1 to this report, we have reported relevant observations (where applicable) arising from the work we have performed in Attachment 2 to this report.[[14]](#footnote-15)

1. **Other Matter - Restriction on Distribution and Use**

This report has been prepared for distribution to the [Title of those charged with governance] of the ADI and APRA, in accordance with the terms of our engagement letter dated [date], in order to satisfy APRA’s prudential reporting requirements for appointed auditors of ADIs, as specified in APS 310 (as it relates to APS 910) and APS 910. As a result, this report may not be suitable for another purpose.

This report is not to be distributed to any party other than those to whom it is addressed, APRA, and other parties to whom APRA is lawfully entitled to provide relevant information (“Other Parties”). In accordance with the *Australian Prudential Regulation Authority Act 1998*, APRA may make this report available to Other Parties when APRA is satisfied that such information may assist those parties in performing their functions or exercising their powers. We disclaim any assumption of responsibility for any reliance on this report or the subject matter to which it relates, to any party other than the [Title of those charged with governance] of the ADI and APRA in the performance of its functions under the Banking Act, or for any purpose other than that for which it was prepared.

[Appointed auditor’s name and signature]

[Firm]

[Date of auditor’s report]

[Auditor’s address]

Attachment 1: Basis for Conclusion(s) [and/or [Qualified/Adverse/Disclaimer of] Conclusion(s)]

[The following example attachment may be used by the appointed auditor to report material findings or exceptions, in circumstances where a modification to the auditor’s conclusions is required. It is to be used as a guide only, and will need to be adapted according to the engagement requirements and circumstances of the ADI, subject matter information, and the type of modified conclusion issued.]

[Note: APRA expects Attachment 1 to be included as part of the APS 910 annual prudential assurance report regardless of whether or not there are any modification to the auditor’s conclusions to report.]

This attachment accompanies, and forms part of, the *Independent Auditor’s Annual Prudential Assurance Report pursuant to APRA Prudential Standard APS 910 Financial Claims Scheme for the period [start date] to [end date]* dated [insert report date].

***If there are no modifications, insert the following words:***

There were no matters arising that resulted in a modification of our conclusions in our report.

***If there are modifications, then insert the following words below:***

During our limited assurance engagement, we noted the following:

**Scope Limitations**

We have been unable to obtain sufficient appropriate evidence in order to form a conclusion in relation to the following items:

*[Insert details of the subject matter to which a limitation of scope is being applied, providing a context as to why these items have been included within the limitation of scope].*

**Basis for other Qualified/Adverse Conclusions**

***Material Internal Control Deficiencies and/or Deviations***

*[Include a description of the matter giving rise to any qualified/adverse conclusion or, for a disclaimer of conclusion, provide the reasons for the inability to obtain sufficient appropriate evidence. ASAE 3150, paragraphs 93-95 and Appendix 9, may provide helpful guidance.]*

***Significant Non-compliance with Prudential Requirements***[[15]](#footnote-16)

Significant non-compliance with relevant Prudential Requirements under the *Banking Act 1959* and the *Financial Sector (Collection of Data) Act 2001*, including APRA Prudential and Reporting Standards, identified during the financial year and up to the date of signing the auditor’s assurance report.

1. Matters not previously reported to APRA

*[Include a description of each new matter/non-compliance. For this category include correspondence with APRA (if any), recommendations for remediation and management actions and/or plans, if applicable.]*

1. Matters previously reported to APRA by the appointed auditor

*[Include a description of each of the matters/non-compliance (if any) reported to APRA by the auditor in relation to the ADI for the financial year under review, recommendations for remediation and management actions and/or plans, if applicable.]*

1. Matters previously reported to APRA by the ADI

*[Include a description of each of the matters/non-compliance (if any) the ADI has reported to APRA for the financial year under review from [date] to [date], recommendations for remediation and management actions and/or plans, if applicable.]*

*[Note: If these matters were material to the conclusion, they should be incorporated in the basis of qualified auditors conclusion.]*

Attachment 2: General and Specific Observations

[Note: APRA expects Attachment 2 to be included as part of the APS 910 annual prudential assurance report regardless of whether or not there are any observations to report.]

This attachment accompanies, and forms part of, the *Independent Auditor’s Annual Prudential Assurance Report pursuant to APRA Prudential Standard APS 910 Financial Claims Scheme for the period [start date] to [end date]* dated [insert report date].

***If there are no observations, insert the following words:***

There were no adverse matters observed within the scope of this limited assurance APS 910 engagement.

***If there are observations, then insert the following words below:***

The following findings (individually or collectively) did not cause us to qualify the *Independent Auditor’s Annual Prudential Assurance Report pursuant to APRA Prudential Standard APS 910 Financial Claims Scheme for the period [start date] to [end date]* dated [insert report date].

1. ***General Observations***

[insert all applicable APS 910 general observations]

1. ***Specific Observations***

[insert all applicable APS 910 specific observations]

Attachment 3: Control Objectives and Evaluation Criteria (Ref: Para 217, 221, Attachment 4 to Appendix 5)

[The following example attachment may be used by the appointed auditor for the purpose of identifying the control objectives used as criteria for evaluating the design, implementation and operating effectiveness of controls. It is to be used as a guide only and will need to be adapted according to the engagement requirements and circumstances of the ADI.]

This attachment accompanies, and forms part of, the *Independent Auditor’s Annual Prudential Assurance Report pursuant to APRA Prudential Standard APS 910 Financial Claims Scheme for the period [start date] to [end date]* dated [insert report date].

The following criteria have been used to evaluate the ADI’s compliance with the requirements of APS 910.

**Control Objectives**

ADI controls are to meet the following control objectives:

Suitably designed controls are implemented to ensure that Single Customer View (SCV) data, Financial Claims Scheme (FCS) payment instruction information and FCS reporting information, to the extent practicable, can be relied upon as being:

1. complete and accurate; and
2. in accordance with APS 910, including the requirements as specified in APS 910 Attachment A, paragraph 6.

The term ‘to the extent practicable’ is explained in Attachment 4 to this assurance report.

**Completeness and Accuracy**

When evaluating the controls designed and operated by the ADI, we have taken the terms “completeness” and “accuracy” to have the meaning attributed to them in paragraph 16 of APRA’s Prudential Practice Guide CPG 235 *Managing Data Risk* (CPG 235), on the basis that the controls that are the subject of the limited assurance engagement relate to the data used to generate the SCV, payment instruction information and reporting information. The definitions provided in CPG 235 are as follows:

1. Accuracy: the degree to which data is error free and aligns with what it represents; and
2. Completeness: the extent to which data is not missing and is of sufficient breadth and depth for the intended purpose.

**Testing**

When assessing whether the controls have operated effectively when tested, the ADI’s testing in accordance with APRA’s testing schedule has been considered and assessed. This includes the ADI’s ability to run testing in sequence within the designated timeframes to ensure the timeliness of SCV data, FCS payment instruction information and FCS reporting information.

[*Where the auditor believes further clarification may be beneficial, the auditor considers including APRA’s APS 910 Testing Schedule for ADI’s[[16]](#footnote-17), which outlines the minimum requirements for regular APS 910 testing, as an attachment to the assurance report.*]

Attachment 4: Additional Guidance (Ref: para 222, Attachment 3 to Appendix 5)

*To the extent practicable*

When evaluating the design, implementation and operating effectiveness of ADI controls, we have taken the term “to the extent practicable” to have the meaning attributed to it by APRA in their *Information paper: Financial Claims Scheme for authorised deposit-taking institutions (August 2013)* (Information Paper) [[17]](#footnote-18) (see below). We have also had regard for relevant APRA responses to Financial Claims Scheme Frequently Asked Technical Questions (FAQs)[[18]](#footnote-19) (see below).

We note that the guidance provided by APRA in the Information Paper and FAQs with respect to the term “to the extent practicable”, is principle-based, and does not limit the application of professional judgement. We have engaged with both the ADI and APRA in interpreting this term in the relevant contexts as the issues relating to the extent practicable vary on a case by case basis.

**Information Paper, paragraph 37 on page 11:**

*“The relief granted by the term ‘to the extent practicable’ in relation to the SCV in APS 910 is recognition that, when compiling the SCV using available data, some issues may arise initially with the aggregation and/or data matching. APRA envisages that any deficiencies identified would be noted and plans for enhancements and further testing would be put in place. Over time, with continuous improvement, these issues are expected to be resolved to ensure that SCVs are as accurate as possible and that the FCS limit is correctly applied.”*

**APRA responses to relevant FAQs:**

**Section 3 Clearance:**

**FAQ 3.1: *“What happens to funds that have not been 'cleared' in accordance with the Banking Regulations at the time of generating payment instruction information?***

*Paragraph 11 of APS 910 requires that an ADI 'must be able, to the extent practicable, to identify payment instruction information'. APRA expects ADIs to be able to identify cleared and uncleared funds accurately, to the extent practicable, at the time of generating the payment instruction information. APRA acknowledges that payment data contained in the payment instruction information may be different from the FCS entitlement under the Banking Act 1959 and Banking Regulations 1966. To the extent there are uncleared funds identified as part of the initial FCS entitlement that cannot be paid with a high level of confidence at the time that the payment instruction information is generated by the ADI, these amounts should be excluded from the payment instruction information. Such transactions will be dealt with subsequently by the statutory manager/liquidator of the ADI, once the period of clearance has been met in accordance with the Banking Act and Banking Regulations. (March 2014)”*

**Section 12 – Single Customer View (SCV):**

**FAQ 12.2 *“How accurate do SCV data and payment instruction information have to be?***

*Paragraph 6 (a) of Attachment A to APS 910 requires that there be controls in place to ensure that ‘data sourced from any product, customer or other ADI system for SCV purposes are complete and accurate, to the extent practicable’. APRA accepts that there are a small number of circumstances and/or customers for which meeting all the requirements of APS 910 and (for SCV calculation purposes) the Banking Act 1959 and Banking Regulations 1966 will not be practical. This also applies to the requirement in paragraph 32(f) of APS 910 that the CEO must attest ‘that data generated by SCV systems are complete and accurate, to the extent practicable' and the audit requirement in paragraph 27(a) of APS 910. Similarly, APRA interprets the requirement in paragraph 11 of APS 910 – that an ADI must, ‘to the extent practicable’, identify payment instruction information in accordance with Attachment C (including the requirement in paragraph 1 of that Attachment as to accuracy of the calculation) – to mean that in some limited circumstances it may be difficult for ADIs to accurately calculate the size of the FCS payment (see FAQ 3.1).”*

*In particular, APRA recognises that, depending on the exact timing of a Ministerial declaration, certain processes required to meet the APS 910 requirements may have to be run over non-business days. This may be the case where the declaration falls on or around a long weekend. In these instances, payment instruction information should be based on SCV data that are as accurate as practicable in the circumstances. For example, this could mean using accrual components, such as interest, calculated up to the last complete business day before declaration or using a contingency strategy to deal with transactions that are yet to be finalised for FCS purposes (such as cheques deposited but not yet exchanged, or cheque/direct entry items that have been exchanged but are awaiting clearance). In those circumstances, to the extent that the payment data contained in the payment instruction information are ultimately different from the account-holder’s FCS entitlement under the Banking Act and Banking Regulations, APRA expects that the statutory manager/liquidator of the ADI would make additional FCS payments if required. APRA expects ADIs to be mindful to avoid, as far as possible, any overpayment of the account-holder’s initial FCS entitlement. (March 2014)”*

1. Amend to reflect the appropriate addressee of the report, for example, Chairman of Board or Board Audit Committee. [↑](#footnote-ref-2)
2. Insert: “as detailed in [Title of ADI document, that is, management’s APS 910 internal control report/statement] dated [insert date]”, as applicable. [↑](#footnote-ref-3)
3. Should be the same date as for the APS 310/3PS 310 report(s). [↑](#footnote-ref-4)
4. Delete if not the statutory auditor for the ADI. [↑](#footnote-ref-5)
5. Where the auditor determines it necessary to issue a modified conclusion(s), this section will be amended to comply with the requirements of ASAE 3150. This standard also includes further guidance, application material and illustrative examples which the auditor may find useful. For example, refer to paragraphs 93-95 and Appendix 9 of ASAE 3150. [↑](#footnote-ref-6)
6. Refer to paragraph 27 of APS 910. [↑](#footnote-ref-7)
7. “Prudential Requirements” is defined in APRA Prudential Standard APS 001 *Definitions* and includes requirements imposed by the Banking Act, Prudential Standards made under the Banking Act, Reporting Standards made under the FSCODA, conditions on the ADI’s authorisation, and any other requirements imposed by APRA in writing. [↑](#footnote-ref-8)
8. See paragraph 36(d) of APS 310 [↑](#footnote-ref-9)
9. See paragraph 36 of APS 310 [↑](#footnote-ref-10)
10. Attachment 1 to this report shows an example attachment that may be used as a guide, adapted to take account of the circumstances of the ADI and the type of modification to be issued. APRA requires this appendix to be included as part of the report regardless of whether there are any modifications to report. Include the information required under ASAE 3150, for example, a description of the matter giving rise to any qualified/adverse conclusion or, for a disclaimer of conclusion, provide the reasons for the inability to obtain sufficient appropriate evidence. [↑](#footnote-ref-11)
11. Amend this term to reflect the appropriate title for those charged with governance of the ADI, for example, “Board of Directors”. Insert appropriate title, when prompted, throughout the report. [↑](#footnote-ref-12)
12. Attachment 3 to this example assurance report shows an example attachment that may be used as a guide. [↑](#footnote-ref-13)
13. The auditor may include a summary of procedures performed but not to the extent that it is ambiguous or described in a manner that is overstated or that could suggest that reasonable assurance has been obtained. It is also 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-14)
14. Provide details of other significant (but not material) findings or matters arising from the engagement considered necessary to highlight to APRA for information purposes, but which do not impact on the conclusion, in an attachment to the assurance report. Refer to paragraphs 285-286 of this Guidance Statement for further guidance on information that may be considered for inclusion in a ‘long-form’ style of report. Attachment 2 to this example assurance report shows an example attachment that may be used as a guide, adapted to take account of the circumstances of the ADI and nature of findings or matters arising. APRA expects this appendix to be included as part of the report regardless of whether or not there are any observations to report. [↑](#footnote-ref-15)
15. It is recommended that the basis for any qualifications be set out in this manner to highlight whether APRA are already aware of the matters being raised. [↑](#footnote-ref-16)
16. See paragraph 25 of APS 910, which requires an ADI to undertake testing in accordance with a testing schedule specified by APRA in writing. Refer to the *Financial Claims Scheme Frequently Asked Technical Questions for ADIs* (Question 13.2) on APRA’s website at: <https://www.apra.gov.au/financial-claims-scheme-frequently-asked-technical-questions-for-authorised-deposit-taking-0>. [↑](#footnote-ref-17)
17. Refer to APRA’s website: [*Information paper: Financial Claims Scheme for authorised deposit-taking institutions (August 2013)*](https://www.apra.gov.au/search?query=Information+paper%3A++Financial+Claims+Scheme+for+authorised+deposit-taking+institutions+%28August+2013%29). [↑](#footnote-ref-18)
18. Refer to APRA’s website: [*Financial Claims Scheme - frequently asked technical questions for authorised deposit-taking institutions*](https://www.apra.gov.au/financial-claims-scheme-frequently-asked-technical-questions-for-authorised-deposit-taking-0). [↑](#footnote-ref-19)