

APES 315 Compilation of Financial Information

[Supersedes APES 315 Compilation of Financial Information issued in December 2019]

REVISED: March 2023

APES 315 *Compilation of Financial Information* is published in March 2023 under licence from the International Federation of Accountants (IFAC) by the Accounting Professional and Ethical Standards Board Limited (APESB). All rights reserved. The text, graphics and layout of this Standard are protected by Australian copyright law, international treaties, and the comparable law of other countries. Reproduction within Australia in unaltered form (retaining this notice) is permitted for personal and non-commercial use, subject to the inclusion of an acknowledgment of the source for APES 315 *Compilation of Financial Information* as being the Accounting Professional and Ethical Standards Board Limited (APESB).

APES 315 *Compilation of Financial Information* is based on and adapted from the *ISRS 4410 (Revised) Compilation Engagements* as included in the *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements* published by the International Federation of Accountants (IFAC), and in the manner described in the Statement on Conformity with International Pronouncements.

Contact Permissions@ifac.org for permission to reproduce, store or transmit or to make other similar uses of the *ISRS 4410 (Revised) Compilation Engagements* or *Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements*.

CONTENTS

| Section | Page Number |
|--|-------------|
| 1. Scope and application | 3 |
| 2. Definitions | 4 |
| 3. Fundamental responsibilities of Members in Public Practice | 8 |
| – Public interest | 8 |
| – Professional competence and due care | 8 |
| – Professional Independence | 8 |
| – Confidentiality | 8 |
| 4. Planning | 8 |
| 5. Applicable Financial Reporting Framework | 9 |
| 6. Defining the Terms of Engagement | 10 |
| 7. Procedures | 10 |
| 8. Documentation and quality management | 11 |
| 9. Responsibility of the Client | 12 |
| 10. Reporting on a Compilation Engagement | 12 |
| 11. Communication of significant matters | 14 |
| 12. Subsequent discovery of facts | 15 |
| <i>Conformity with International Pronouncements</i> | 16 |
| <i>Appendix 1 - Decision tree to determine whether an Engagement is a Compilation Engagement</i> | 18 |
| <i>Appendix 2 - Decision tree to determine when a Compilation Report should be issued</i> | 19 |
| <i>Appendix 3 - Example Engagement Letter for a Compilation Engagement</i> | 20 |
| <i>Appendix 4 – Examples of Compilation Reports</i> | 22 |
| <i>Appendix 5 – Example of an Accountant’s Report Disclaimer</i> | 29 |
| <i>Appendix 6 – Summary of revisions to the previous APES 315 (Issued in December 2019)</i> | 30 |

1. Scope and application

1.1 The objectives of APES 315 *Compilation of Financial Information* are:

- to specify that, when performing an **Engagement to Compile Financial Information**, a **Member in Public Practice** is required to apply the **Member's** expertise in accounting and/or financial reporting and, in contrast to an **Engagement** to perform an audit or review, the **Member** is not required to verify the accuracy or completeness of the information provided by a **Client**;
- to mandate that a **Member in Public Practice** plans a **Compilation Engagement** but recognises that planning procedures depend upon the context of the **Compilation Engagement** and the specific circumstances of the **Client**;
- to provide guidance to **Members in Public Practice** when undertaking a **Compilation Engagement** in respect of **General Purpose Financial Statements** or **Special Purpose Financial Statements**;
- to specify matters to be considered for inclusion in an **Engagement Document**;
- to specify the professional obligations of a **Member in Public Practice** in respect of procedures;
- to specify the documentation and quality management obligations of a **Member in Public Practice** who performs a **Compilation Engagement**;
- to specify the obligations of a **Member in Public Practice** to obtain an acknowledgement from the **Client** in respect of the **Client's** responsibilities for the financial information or **Financial Statements**;
- to specify the reporting requirements of a **Member in Public Practice** who undertakes **Engagements to Compile Financial Information**; and
- to mandate that a **Member** communicates to **Those Charged with Governance** any significant matters arising from the **Compilation Engagement** and the impact of subsequent discovery of facts on the **Compilation Engagement**.

1.2 Accounting Professional & Ethical Standards Board Limited (APESB) has revised professional standard APES 315 *Compilation of Financial Information* (**the Standard**), which is effective for **Engagements to Compile Financial Information** commencing on or after 1 April 2023 and supersedes APES 315 issued in December 2019. Earlier adoption of this Standard is permitted.

1.3 APES 315 sets the standards for the provision of quality and ethical **Professional Services** for **Members in Public Practice** who undertake **Engagements to Compile Financial Information**. The mandatory requirements of this Standard are in **bold-type**, preceded or followed by discussion or explanations in normal type. APES 315 should be read in conjunction with other professional duties of **Members**, and any legal obligations that may apply.

1.4 **Members in Public Practice in Australia shall follow the mandatory requirements of APES 315 when they undertake Engagements to Compile Financial Information.**

1.5 **Members in Public Practice practising outside of Australia shall follow the requirements of APES 315 to the extent to which they are not prevented from so doing by specific requirements of local laws and/or regulations.**

1.6 **Members in Public Practice shall comply with other applicable Professional Standards and be familiar with relevant guidance notes when performing Professional Services. All Members shall comply with the fundamental principles outlined in the Code.**

- 1.7 The Standard is not intended to detract from any responsibilities which may be imposed by law or regulation.
- 1.8 All references to [Professional Standards](#), guidance notes and legislation are references to those provisions as amended from time to time.
- 1.9 In applying the requirements outlined in APES 315, [Members in Public Practice](#) should be guided not merely by the words but also by the spirit of this Standard and the [Code](#).
- 1.10 This Standard is directed towards [Engagements](#) to prepare historical or prospective financial information. However, the Standard should also be applied to the extent practicable for [Engagements](#) to prepare non-financial information.
- 1.11 This Standard is directed towards [Members in Public Practice](#). However, [Members in Business](#) should apply this Standard and its principles to the extent practicable when they compile information for their employers, especially in respect of regulatory reporting requirements and [Compilation Reports](#) prepared under ASIC Corporations (Audit Relief) Instrument 2016/784.¹
- 1.12 In this Standard, unless otherwise specified, words in the singular include the plural and vice versa, words of one gender include another gender, and words referring to persons include corporations or organisations, whether incorporated or not.

2. Definitions

Defined terms are shown in the body of the Standard in title case.

For the purpose of this Standard:

AASB means the Australian statutory body called the Australian Accounting Standards Board that was established under section 226 of the *Australian Securities and Investments Commission Act 1989* and is continued in existence by section 261 of the *Australian Securities and Investments Commission Act 2001*.

APES 320 means APES 320 *Quality Management for Firms that provide Non-Assurance Services* issued by Accounting Professional & Ethical Standards Board Limited.

Applicable Financial Reporting Framework means the financial reporting framework adopted by management and, where appropriate, [Those Charged with Governance](#) in the preparation of the financial report that is acceptable in view of the nature of the entity and the objective of the financial report, or that is required by law or regulation.

The term *fair presentation framework* means a financial reporting framework that requires compliance with the requirements of the framework and:

- (a) Acknowledges explicitly or implicitly that, to achieve fair presentation of the financial report, it may be necessary for management to provide disclosures beyond those specifically required by the framework; or
- (b) Acknowledges explicitly that it may be necessary for management to depart from a requirement of the framework to achieve fair presentation of the financial report. Such departures are expected to be necessary only in extremely rare circumstances.

In the context of financial reporting, the term [Compliance Framework](#) means a financial reporting framework that requires compliance with the requirements of the applicable framework, but does not contain the acknowledgements in (a) or (b) above.

¹ ASIC Corporations (Audit Relief) Instrument 2016/784 supersedes ASIC Class Order CO 98/1417 *Audit relief for proprietary companies*.

ASQM 1 means Auditing Standard 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* issued by the AUASB.

Assurance Engagement means an Engagement in which a Member in Public Practice aims to obtain sufficient appropriate evidence in order to express a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the subject matter information.

This includes an Engagement in accordance with the *Framework for Assurance Engagements* issued by the AUASB or in accordance with specific relevant standards, such as International Standards on Auditing, for Assurance Engagements.

(For guidance on Assurance Engagements, see the *Framework for Assurance Engagements* issued by the AUASB. The *Framework for Assurance Engagements* describes the elements and objectives of an Assurance Engagement and identifies Engagements to which *Australian Auditing Standards* (ASAs), *Standards on Review Engagements* (ASREs) and *Standards on Assurance Engagements* (ASAEs) apply.)

Assurance Practice means the assurance division or section of a Firm, encompassing every Assurance Engagement and agreed-upon procedures Engagement² conducted by the Firm, whether or not required to be conducted by a Registered Company Auditor and whether or not conducted by an individual auditor, an audit Firm or an audit company.

AUASB means the Australian statutory body called the Auditing and Assurance Standards Board established under section 227A of the *Australian Securities and Investments Commission Act 2001*.

Auditing and Assurance Standards means the AUASB standards, as described in ASA 100 *Preamble to AUASB Standards*, ASA 101 *Preamble to Australian Auditing Standards* and the *Foreword to AUASB Pronouncements*, issued by the AUASB, and operative from the date specified in each standard.

Australian Accounting Standards means the Accounting Standards (including Australian Accounting Interpretations) promulgated by the AASB.

Client means an individual, firm, entity or organisation to whom or to which Professional Activities are provided by a Member in Public Practice in respect of Engagements of either a recurring or demand nature.

Code means APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Compilation Engagement means an Engagement to Compile Financial Information in which a Member in Public Practice applies professional expertise in accounting and financial reporting to assist Those Charged with Governance in the preparation and presentation of financial information in accordance with an Applicable Financial Reporting Framework, without undertaking to express any assurance on the information. A Compilation Engagement may involve preparation of Financial Statements or compilation of other financial information.

Excluded activities which fall outside the scope of a Compilation Engagement include:

- (a) preparation of a taxation return and financial information prepared solely for inclusion in the taxation return;
- (b) analysis of figures provided by a Client, in order to report to the Client. For example, providing advice on a Client's proposed purchase of another entity, using the other entity's Financial Statements;

² As described in ASRS 4400 *Agreed-Upon Procedures Engagements*.

- (c) relaying information to a **Client**, without collection, classification or summarisation of the information; and
- (d) **Assurance Engagements**.

Where a **Member in Public Practice** performs activities which are excluded from the scope of a Compilation Engagement, such as the preparation of **Financial Statements** which are to be used as a basis to prepare an entity's taxation return, the **Member** should issue an Accountant's Report Disclaimer.

*A decision tree schematic to assist **Members** determine whether an **Engagement** is a **Compilation Engagement** is included in Appendix 1.*

Compilation Report means a report prepared in accordance with this Standard.

Compile(d) Financial Information means a presentation of historical or prospective financial information. For the purposes of this Standard, Compiled Financial Information includes **Financial Statements**.

Compliance Framework means:

- (a) a financial reporting framework that requires compliance with the requirements of the applicable framework, but does not contain the acknowledgements in respect of a fair presentation framework (refer **Applicable Financial Reporting Framework**); or
- (b) a framework (not related to financial reporting) adopted by the entity, which is designed to ensure that the entity achieves compliance, and includes governance structures, programs, processes, systems, controls and procedures.

Engagement means an agreement, whether in **Writing** or otherwise, between a **Member in Public Practice** and a **Client** relating to the provision of **Professional Services** by a **Member in Public Practice**. However, consultations with a prospective **Client** prior to such agreement are not part of an Engagement.

Engagement Document means the document (i.e. letter, agreement or any other appropriate means) in which the **Terms of Engagement** are specified in **Writing**.

Financial Statements means a structured representation of historical or prospective financial information, including related notes, intended to communicate an entity's economic resources or obligations at a point in time or the changes therein for a period of time in accordance with a financial reporting framework. The related notes ordinarily comprise a summary of material accounting policies and other explanatory information. The term can relate to a complete set of Financial Statements, but it can also refer to a single Financial Statement, for example, a statement of financial position or a statement of profit or loss and other comprehensive income and related explanatory notes. The requirements of the financial reporting framework determine the form and content of the Financial Statements and what constitutes a complete set of Financial Statements. For the purposes of this Standard, financial report is considered to be an equivalent term to Financial Statements.

Firm means:

- (a) A sole practitioner, partnership, corporation or other entity of professional accountants;
- (b) An entity that controls such parties, through ownership, management or other means;
- (c) An entity controlled by such parties, through ownership, management or other means; or
- (d) An Auditor-General's office or department.

General Purpose Financial Statements means a financial report prepared in accordance with a **General Purpose Framework**.

General Purpose Framework means a financial reporting framework designed to meet the common financial information needs of a wide range of users. The financial reporting framework may be a fair presentation framework or a [Compliance Framework](#).

Independence comprises:

- (a) Independence of mind - the state of mind that permits the expression of a conclusion without being affected by influences that compromise professional judgement, thereby allowing an individual to act with integrity, and exercise objectivity and professional scepticism.
- (b) Independence in appearance - the avoidance of facts and circumstances that are so significant that a reasonable and informed third party would be likely to conclude that a [Firm's](#), or an [Engagement](#) team member's, integrity, objectivity or professional scepticism has been compromised.

Member means a member of a [Professional Body](#) that has adopted this Standard as applicable to their membership, as defined by that [Professional Body](#).

Member in Business means a [Member](#) working in areas such as commerce, industry, service, the public sector, education, the not-for-profit sector, or in regulatory or professional bodies, who might be an employee, contractor, partner, director (executive or non-executive), owner-manager or volunteer.

Member in Public Practice means a [Member](#), irrespective of functional classification (for example, audit, tax or consulting) in a [Firm](#) that provides [Professional Services](#). This term is also used to refer to a [Firm](#) of Members in Public Practice and means a practice entity and a participant in that practice entity as defined by the applicable [Professional Body](#).

Misstatement means a difference between the amount, classification, presentation or disclosure of a reported item in financial information and the amount, classification, presentation or disclosure that is required for the item to be in accordance with the [Applicable Financial Reporting Framework](#). Misstatements can arise from error or fraud.

Where the financial information is prepared in accordance with a fair presentation framework, Misstatements also include those adjustments of amounts, classifications, presentation or disclosures that, in the [Member in Public Practice's](#) judgement, are necessary for the financial information to be presented fairly, in all material respects, or to give a true and fair view.

Professional Activity means an activity requiring accountancy or related skills undertaken by a [Member](#), including accounting, auditing, tax, management consulting, and financial management.

Professional Bodies means Chartered Accountants Australia and New Zealand, CPA Australia and the Institute of Public Accountants.

Professional Services means [Professional Activities](#) performed for [Clients](#).

Professional Standards means all standards issued by Accounting Professional & Ethical Standards Board Limited and all professional and ethical requirements of the applicable [Professional Body](#).

Special Purpose Financial Statements means a complete set of [Financial Statements](#), including the related notes, and an assertion statement by those responsible for the financial report, prepared in accordance with a [Special Purpose Framework](#). The related notes ordinarily comprise a summary of material accounting policies and other explanatory information. The requirements of the [Applicable Financial Reporting Framework](#) determine the format and content of a financial report prepared in accordance with a [Special Purpose Framework](#).

Special Purpose Framework means a financial reporting framework designed to meet the financial information needs of specific users. The financial reporting framework may be a fair presentation framework or a [Compliance Framework](#).

Terms of Engagement means the terms and conditions that are agreed between the **Client** and the **Member in Public Practice** for the **Engagement**.

Those Charged with Governance means the person(s) or organisation(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. For some entities in some jurisdictions, Those Charged with Governance might include management personnel, for example, executive members of a governance board of a private or public sector entity, or an owner-manager.

Writing means a mode of representing or reproducing words in a visible form and includes words in an electronic format capable of being converted to printed text.

3. Fundamental responsibilities of Members in Public Practice

3.1 **Members in Public Practice** undertaking **Engagements to Compile Financial Information** shall comply with Part 1 *Complying with the Code, Fundamental Principles and Conceptual Framework* of the **Code** and relevant laws and regulations.

Public interest

3.2 In accordance with Section 100 *Complying with the Code* of the **Code**, **Members in Public Practice** shall observe and comply with the **Member's** public interest obligations when they undertake **Engagements to Compile Financial Information**.

Professional competence and due care

3.3 **Members in Public Practice** undertaking **Engagements to Compile Financial Information** shall maintain professional competence and take due care in the performance of the **Member's** work in accordance with Subsection 113 *Professional Competence and Due Care* of the **Code**.

Professional Independence

3.4 **Independence** is not a requirement for a **Compilation Engagement**.

3.5 Where a **Member in Public Practice** is not independent, the **Member** shall make an explanatory statement to that effect in the **Compilation Report**.

Confidentiality

3.6 A **Member in Public Practice** who acquires confidential information in the course of an **Engagement to Compile Financial Information** for a **Client** shall comply with Subsection 114 *Confidentiality* of the **Code**.

4. Planning

4.1 A **Member in Public Practice** shall plan the **Compilation Engagement** to ensure that the **Engagement** is conducted in accordance with this Standard and all applicable **Professional Standards**, laws and regulations.

- 4.2 Appropriate planning depends on the nature of the **Compilation Engagement** and the particular circumstances of the **Client**. This can vary from a standard list of limited procedures used in generating a pro forma set of **Financial Statements** to a complex plan to understand particular events or transactions of a larger entity that requires the application of a **Member in Public Practice's** professional judgement.

5. Applicable Financial Reporting Framework

- 5.1 Subject to the **Terms of Engagement**, a **Member in Public Practice** may provide advice to assist a **Client** to determine the **Applicable Financial Reporting Framework**. However, the **Member** should ensure that the **Client** is aware that it is the **Client's** responsibility to determine the **Applicable Financial Reporting Framework** to be adopted, taking into consideration the intended use of the financial information as described in the agreed **Terms of Engagement** and the requirements of any applicable law or regulation.
- 5.2 A **Member in Public Practice** should consider the following factors that indicate whether the **Applicable Financial Reporting Framework** adopted by a **Client** is appropriate:
- (a) the nature of the **Client** and the regulations that apply to the entity;
 - (b) the intended use of the financial information as described in the agreed **Terms of Engagement** and the requirements of any applicable law or regulation;
 - (c) the intended users;
 - (d) whether the **Applicable Financial Reporting Framework** is prescribed or specified, either in applicable law or regulation, or in a contract or other form of agreement with a third party, or as part of governance or accountability arrangements adopted voluntarily by the **Client**; and
 - (e) the nature and form of the financial information that is to be prepared and presented under the **Applicable Financial Reporting Framework**.
- 5.3 If a **Member in Public Practice** is of the view that the **Applicable Financial Reporting Framework** selected by a **Client** is not appropriate and the **Client** is not willing to adopt an appropriate framework, the **Member** shall consider the **Firm's** policies and procedures established in accordance with *Acceptance and continuance of Client relationships and specific Engagements of APES 320*³ in determining whether to continue acting for the **Client** in a professional capacity.
- 5.4 When undertaking a **Compilation Engagement** in respect of **General Purpose Financial Statements** or **Special Purpose Financial Statements**, a **Member in Public Practice** shall comply with the requirements of *APES 205 Conformity with Accounting Standards*.
- 5.5 Where a **Member in Public Practice** assists the **Client** with significant judgements regarding amounts or disclosures when undertaking a **Compilation Engagement** in respect of **General Purpose Financial Statements** or **Special Purpose Financial Statements**, the **Member** shall discuss those judgements with the **Client** and **Those Charged with Governance** (if applicable) to ensure that they understand the significant judgements reflected in the **Financial Statements** and accept their responsibility for those judgements.

³ Where the **Compilation Engagement** is undertaken by a **Member in Public Practice** in an **Assurance Practice**, the **Member** may determine that the **Assurance Practice's** responses (policies or procedures) designed and implemented in accordance with *Acceptance and Continuance of Client Relationships and Specific Engagements of ASQM 1* are at least as demanding as *APES 320*.

6. Defining the Terms of Engagement

6.1 **A Member in Public Practice shall document and communicate the Terms of Engagement in accordance with APES 305 Terms of Engagement.**

6.2 A Member in Public Practice who is engaged to perform a **Compilation Engagement** should consider the following matters for inclusion in the **Engagement Document** in addition to the *General contents of an Engagement Document* of APES 305 *Terms of Engagement*:

- (a) the nature of the **Engagement** including the fact that neither an audit nor a review will be carried out by the **Member** and that accordingly no assurance will be expressed;
- (b) the fact that the **Engagement** cannot be relied upon to disclose errors, illegal acts or other irregularities, for example, fraud or defalcations that may exist;
- (c) the nature of the information to be supplied by the **Client**;
- (d) in respect of prospective financial information, the basis of forecasting and key assumptions provided by the **Client**;
- (e) where the **Member** makes assumptions in forecasts, that these assumptions will be brought to the **Client's** attention;
- (f) when undertaking a **Compilation Engagement** in respect of **General Purpose Financial Statements** or **Special Purpose Financial Statements**, a statement that the **Client** is responsible for:
 - (i) the form and content of the financial information in accordance with an **Applicable Financial Reporting Framework** that is acceptable in view of the intended use and users of the financial information;
 - (ii) the reliability, accuracy and completeness of the accounting records and disclosures provided to the **Member**; and
 - (iii) the judgements needed in the preparation and presentation of the financial information, including those for which the **Member** may provide assistance in the course of the **Compilation Engagement**;
- (g) the basis of accounting set out in the **Applicable Financial Reporting Framework** on which the financial information is to be compiled and the fact that it, and any known departures from it, will be disclosed to **Those Charged with Governance** of the **Client**;
- (h) the requirement for **General Purpose Financial Statements** to be prepared in accordance with **Australian Accounting Standards**;
- (i) the form and content of any **Compilation Report** to be issued;
- (j) the intended use and distribution of the **Compiled Financial Information** and any restrictions on either its use or its distribution;
- (k) the nature of any disclaimer or limitation of liability clause between the **Member** and the **Client** or the **Member** and any user of the **Compiled Financial Information**; and
- (l) the **Member's** obligation to comply with relevant **Professional Standards**.

An example Engagement Letter is set out in Appendix 3.

7. Procedures

7.1 Depending on the **Terms of Engagement** and the nature of the **Engagement**, a **Member in Public Practice** who undertakes a **Compilation Engagement** should obtain a sufficient understanding of the **Client's** business, its operations and be familiar with the accounting principles and practices of the industry in which the **Client** operates.

7.2 A **Member in Public Practice** shall assess whether the **Compiled Financial Information** in respect of the **Compilation Engagement** is appropriate in form and content and free from **Misstatements**.

7.3 Where a **Member in Public Practice** forms the view that the information supplied by a **Client** includes a **Misstatement**, the **Member** shall consider performing the following procedures or other alternative procedures:

- (a) making inquiries of management to assess the reliability, accuracy and completeness of the information provided;
- (b) assessing internal controls; or
- (c) verifying any relevant matters or information.

In the absence of forming the view that the information supplied by the **Client** includes a **Misstatement**, the **Member** is not required to consider performing these procedures.

7.4 If the **Client** refuses to provide additional information or process appropriate amendments requested by the **Member in Public Practice** in the circumstances referred to in paragraph 7.3, the **Member** shall consider the **Firm's** policies and procedures established in accordance with *Acceptance and continuance of Client relationships and specific Engagements* of **APES 320** in determining whether to continue acting for the **Client** in a professional capacity.

7.5 A **Member in Public Practice** should consider the guidance in APES GN 30 *Outsourced Services* if the **Member** engages or outsources to a third party, either components or all aspects of, the **Compilation Engagement**. If work in the **Compilation Engagement** is outsourced, the **Member's** obligations under this Standard remain the same as if the **Member** or the **Member's** staff had performed the work.

8. Documentation and quality management

8.1 A **Member in Public Practice** shall prepare working papers in accordance with this Standard that appropriately document the work performed, including aspects of the **Compilation Engagement** that have been provided in **Writing**. The documentation prepared by the **Member** shall:

- (a) provide a sufficient and appropriate record of the procedures performed for the **Engagement**;
- (b) identify the sources of significant information the **Member** has used in the **Compiled Financial Information**; and
- (c) demonstrate that the **Engagement** was carried out in accordance with this Standard and all other **Professional Standards** applicable to the **Engagement**, including policies and procedures established in accordance with **APES 320**⁴ and any applicable ethical, legal and regulatory requirements.

8.2 A **Member in Public Practice** who performs a **Compilation Engagement** should consider including in the **Member's** working papers a copy of the **Client's** working papers that the **Member** used to perform the **Compilation Engagement**.

⁴ Where the **Compilation Engagement** is undertaken by a **Member in Public Practice** in an **Assurance Practice**, the **Member** may determine that the **Assurance Practice's** responses (policies or procedures) designed and implemented in accordance with **ASQM 1** are at least as demanding as **APES 320**.

8.3 A **Member in Public Practice** who performs a **Compilation Engagement** should document how the **Compiled Financial Information** reconciles with the underlying records, documents, explanations and other information provided by the **Client**.

8.4 A **Member in Public Practice** shall perform sufficient reviews of the **Compilation Engagement** in accordance with the **Firm's** policies and procedures established in accordance with *Engagement performance of APES 320*⁵ prior to issuing the **Compilation Report**.

9. Responsibility of the Client

9.1 A **Member in Public Practice** who undertakes a **Compilation Engagement** in respect of **General Purpose Financial Statements** or **Special Purpose Financial Statements** shall obtain an acknowledgment in **Writing** from the **Client** of the **Client's** responsibility for the reliability, accuracy and completeness of the accounting records and disclosures to the **Member** of all material and relevant information.

9.2 The **Member in Public Practice** should inform the **Client** that the **Client** retains responsibility for the financial information in respect of the **Compilation Engagement** and the basis on which it is prepared and presented. That responsibility includes application by the **Client** of the judgement required for the preparation and presentation of the financial information, including the selection and application of appropriate accounting policies and, where needed, developing reasonable accounting estimates.

9.3 Where a **Member in Public Practice** undertakes a **Compilation Engagement** other than those referred to in paragraph 9.1, the **Member** should assess whether, due to the circumstances of the **Engagement**, the **Member** needs to obtain an acknowledgement in **Writing** from the **Client** of its responsibility for the reliability, accuracy and completeness of the accounting records and disclosures provided to the **Member**.

9.4 The acknowledgment referred to in paragraphs 9.1 and 9.3 may be included in other representations in **Writing** from the **Client**.

10. Reporting on a Compilation Engagement

10.1 A **Member in Public Practice** should clearly communicate in a **Compilation Report** the nature of the **Compilation Engagement** and the **Member's** role and responsibilities in respect of the **Engagement** without expressing an opinion or conclusion on the **Compiled Financial Information** in any form.

10.2 Where a **Member in Public Practice** prepares **Compiled Financial Information** in respect of a **Compilation Engagement**, the **Member** shall, except where paragraphs 10.3 or 10.4 apply, issue a **Compilation Report** in circumstances where:

- (a) the **Member's** or the **Firm's** name is identified with the **Compiled Financial Information**;
- (b) external parties other than the intended users of the **Compiled Financial Information** are likely to associate the **Member** with the **Compiled Financial Information**, and there is a risk that the level of the **Member's** involvement with the information may be misunderstood;

⁵ Where the **Compilation Engagement** is undertaken by a **Member in Public Practice** in an **Assurance Practice**, the **Member** may determine that the **Assurance Practice's** responses (policies or procedures) designed and implemented in accordance with *Engagement Performance of ASQM 1* are at least as demanding as *APES 320*.

- (c) it is more likely than not that the intended users of the **Compiled Financial Information** may not understand the nature and scope of the **Member's** involvement with that information; or
- (d) the **Compiled Financial Information** is required under provisions of applicable law or regulation, or it is required to be publicly filed.

*A decision tree schematic to assist Members determine when a **Compilation Report** should be issued is included in Appendix 2.*

10.3 Where a **Member in Public Practice** compiles financial information for internal use only by a **Client**, the use of the **Compiled Financial Information** is restricted. In these circumstances the **Member** should:

- (a) issue an Accountant's Report Disclaimer; and
- (b) on each page of the **Compiled Financial Information** include a reference such as "*These financial statements are unaudited and are restricted for internal use only and should be read in conjunction with the attached Accountant's Report Disclaimer*".

An example Accountant's Report Disclaimer is included in Appendix 5.

10.4 Where the **Client** has engaged another practitioner to audit or review the **Compiled Financial Information** in accordance with **Auditing and Assurance Standards**, the **Member in Public Practice** undertaking the **Compilation Engagement** shall assess the need to issue a **Compilation Report**. Where the **Member** decides not to issue a **Compilation Report** the **Member** shall document the rationale for that decision.

10.5 In the circumstances described in paragraph 10.4, if an audit or review report has been issued by another practitioner, this overrides the need for the **Member in Public Practice** to issue a **Compilation Report**, except where paragraph 10.6 applies.

10.6 Where the circumstances described in paragraph 10.4 apply, but the scope of the **Compilation Engagement** extends to significant subject matter not covered under the **Assurance Engagement**, the **Member in Public Practice** shall issue a **Compilation Report** for the subject matter not covered under the **Assurance Engagement**.

10.7 Where a **Member in Public Practice** issues a **Compilation Report** in relation to **Financial Statements** which are prepared in accordance with a regulation or contract, the **Member** shall describe in the **Compilation Report** the purpose for which the **Financial Statements** are prepared or refer to a note in the **Financial Statements** that contains that information.

10.8 The information referred to in paragraph 10.7 is necessary to avoid misunderstandings when the **Financial Statements** are used for purposes other than those for which they were intended. The note to the **Financial Statements** may also describe any significant interpretations of the contract or regulation on which the **Financial Statements** are based.

10.9 Where **Financial Statements** purport to be prepared in accordance with a contract or a regulation and the **Member in Public Practice** forms the view that the **Financial Statements** do not adequately describe significant interpretations of the contract or the regulation on which the **Financial Statements** are based, the **Member** shall modify the **Compilation Report**.

10.10 Where a **Member in Public Practice** issues a **Compilation Report** in accordance with paragraph 10.2, 10.6 or 10.7, the **Compilation Report** shall contain the following:

- (a) the title of the report;
- (b) the addressee;

- (c) a statement that the **Compilation Engagement** was performed in accordance with this Standard and that the **Member** has complied with relevant ethical requirements;
- (d) an explanatory statement that the **Member** or the **Firm** is not independent of the **Client** (if applicable);
- (e) identification of the **Compiled Financial Information** noting that it is based on the financial information provided by the **Client** (if applicable);
- (f) the basis of any forecast information and key assumptions (applicable to prospective financial information only);
- (g) a statement that the **Client** is responsible for the financial information compiled by the **Member**;
- (h) a statement that neither an audit nor a review has been carried out by the **Member** and that accordingly no assurance is expressed on the **Compiled Financial Information**;
- (i) if the **Member** is reporting on the compilation of **Special Purpose Financial Statements**, a statement to that effect including:
 - (i) the specific purpose for which they have been prepared; and
 - (ii) that the **Special Purpose Financial Statements** are only suitable for the purpose they have been prepared and may not be suitable for any other purpose;
- (j) the date of the **Compilation Report**;
- (k) the **Member's** or **Firm's** name, address and signature;
- (l) an appropriate disclaimer of liability; and
- (m) a description of the responsibilities of management or **Those Charged with Governance** of the **Client**, as appropriate, in relation to the **Compilation Engagement** and in relation to the financial information.

Examples of Compilation Reports including Compilation Reports in respect of General Purpose Financial Statements and Special Purpose Financial Statements are contained in Appendix 4.

- 10.11 Where a **Member in Public Practice** issues a **Compilation Report** in accordance with paragraph 10.2, 10.6 or 10.7, the financial information compiled by the **Member** shall contain a reference such as 'Unaudited', 'Compiled without Audit or Review', or 'Refer to **Compilation Report**' on each page of the **Compiled Financial Information**.

11. Communication of significant matters

- 11.1 A **Member in Public Practice** shall communicate to **Those Charged with Governance** of the **Client** any significant matters arising from the **Compilation Engagement** on a timely basis.
- 11.2 Communication should ordinarily be in **Writing**. Where the communication occurs orally, a **Member in Public Practice** should record in the working papers a summary of the significant matters discussed.
- 11.3 A **Member in Public Practice** who becomes aware of instances of non-compliance or suspected non-compliance with laws and regulations during the performance of a **Compilation Engagement** shall comply with Section 360 *Responding to Non-Compliance with Laws and Regulations* of the **Code**.

- 11.4** If during the performance of a **Compilation Engagement**, the **Member in Public Practice** obtains information that indicates that a fraud, **Misstatement** or illegal act has occurred, the **Member** shall communicate these matters as soon as practicable to **Those Charged with Governance** of the **Client**.
- 11.5 Matters which the **Member in Public Practice** should communicate include:
- (a) **Misstatements** identified during the **Compilation Engagement** and the appropriate amendments agreed with the **Client** in respect of the **Misstatements**;
 - (b) additional information sought by the **Member** as a result of information supplied which contained **Misstatements** or was otherwise unsatisfactory;
 - (c) if additional information sought by the **Member** is not supplied:
 - (i) the effect that the lack of additional information may have on the **Compiled Financial Information**;
 - (ii) the effect of the lack of additional information on the **Member's** report; and
 - (iii) if appropriate, the fact that the **Member** proposes to withdraw from the **Compilation Engagement** as a result of the lack of additional information; and/or
 - (d) any other matters that, in the **Member's** opinion, are significant in the context of the **Compilation Engagement**.
- 11.6** Where during the performance of a **Compilation Engagement** a **Member in Public Practice** obtains information that a fraud, **Misstatement** or illegal act has occurred and the **Member** has reason to believe that such an act is the result of actions of **Those Charged with Governance** of the **Client**, the **Member** shall consider the **Firm's** policies and procedures established in accordance with *Acceptance and continuance of Client relationships and specific Engagements* of **APES 320** in determining whether to continue acting for the **Client** in a professional capacity.

12. Subsequent discovery of facts

- 12.1 Subsequent to the completion of a **Compilation Engagement**, a **Member in Public Practice** may become aware of facts that existed at the date of completion of the **Compilation Engagement** which may have caused the **Member** to believe that information supplied was false or misleading, had the **Member** been aware of such facts.
- 12.2** A **Member in Public Practice** who has performed a **Compilation Engagement** shall assess the impact on the **Compiled Financial Information** of facts discovered subsequent to the date of the **Compilation Report**, discuss the matter with the **Client** and take action appropriate in the circumstances. The **Member** shall document the reasons for the action taken by the **Member**.
- 12.3** If the **Member in Public Practice** believes that the **Compiled Financial Information** referred to in paragraph 12.2 needs to be revised, the **Member** shall take all reasonable steps to advise the **Client** to take the necessary steps to inform anyone who received the previously issued **Compiled Financial Information** of the situation.
- 12.4 When determining whether the **Compiled Financial Information** needs to be revised pursuant to paragraph 12.3, the **Member in Public Practice** should consider, among other things, the duration of time between the issue of the **Compiled Financial Information** and the subsequent discovery of facts referred to in paragraph 12.1, and the extent to which important decisions based on the **Compiled Financial Information** are still to be made.

- 12.5 If, in the view of the **Member in Public Practice**, the **Client** has not taken appropriate action in terms of paragraph 12.3, the **Member** shall notify **Those Charged with Governance of the Client**.
- 12.6 If, in the view of the **Member in Public Practice**, appropriate action is not taken by **Those Charged with Governance of the Client**, the **Member in Public Practice** shall consider the **Firm's** policies and procedures established in accordance with *Acceptance and continuance of Client relationships and specific Engagements* of **APES 320** in determining whether to continue acting for the **Client** in a professional capacity.

Conformity with International Pronouncements

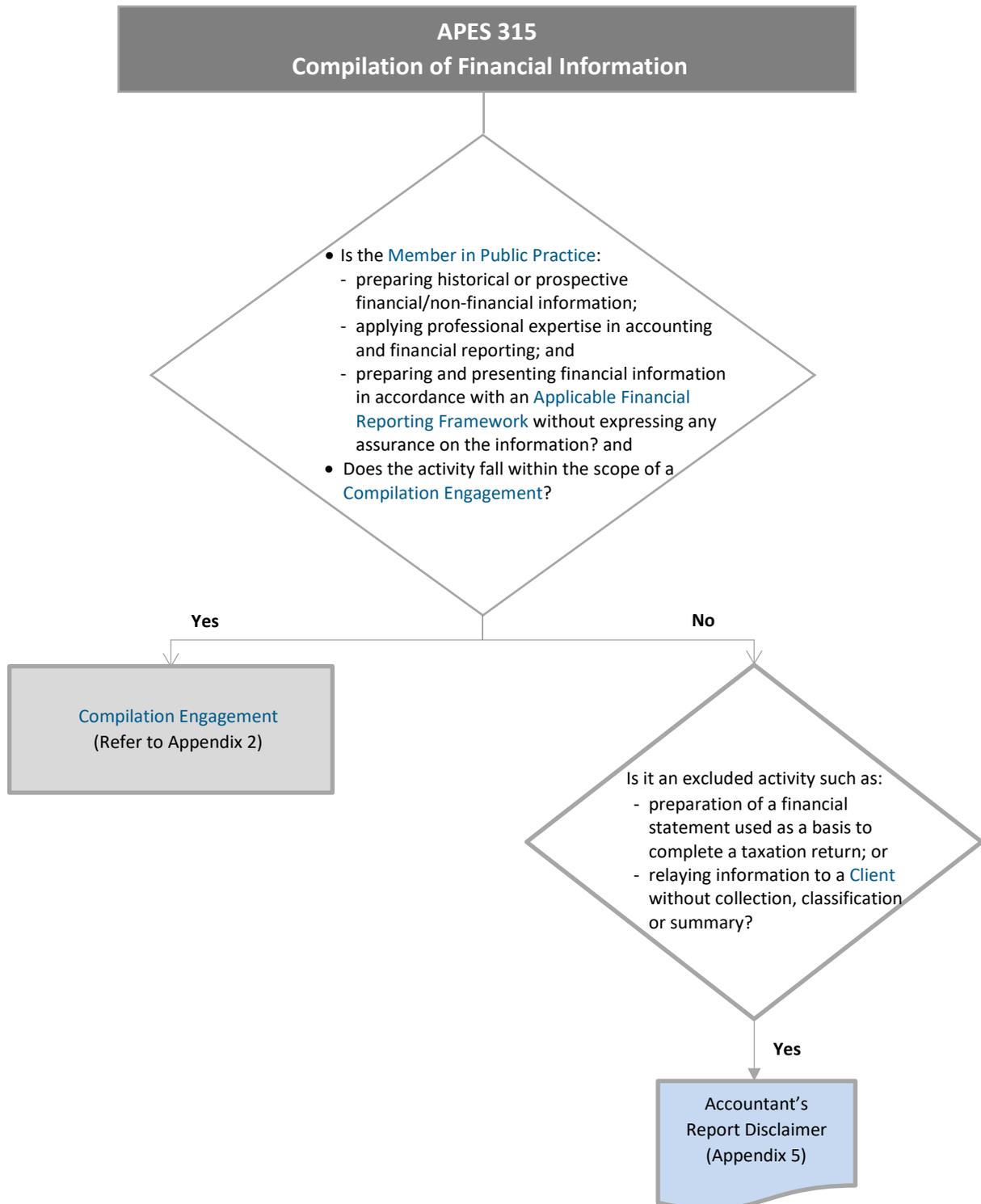
APES 315 and ISRS 4410

The basic principles and essential procedures of APES 315 and of ISRS 4410 (Revised) *Compilation Engagements* issued by the International Auditing and Assurance Standards Board (IAASB) are consistent except for the matters noted below:

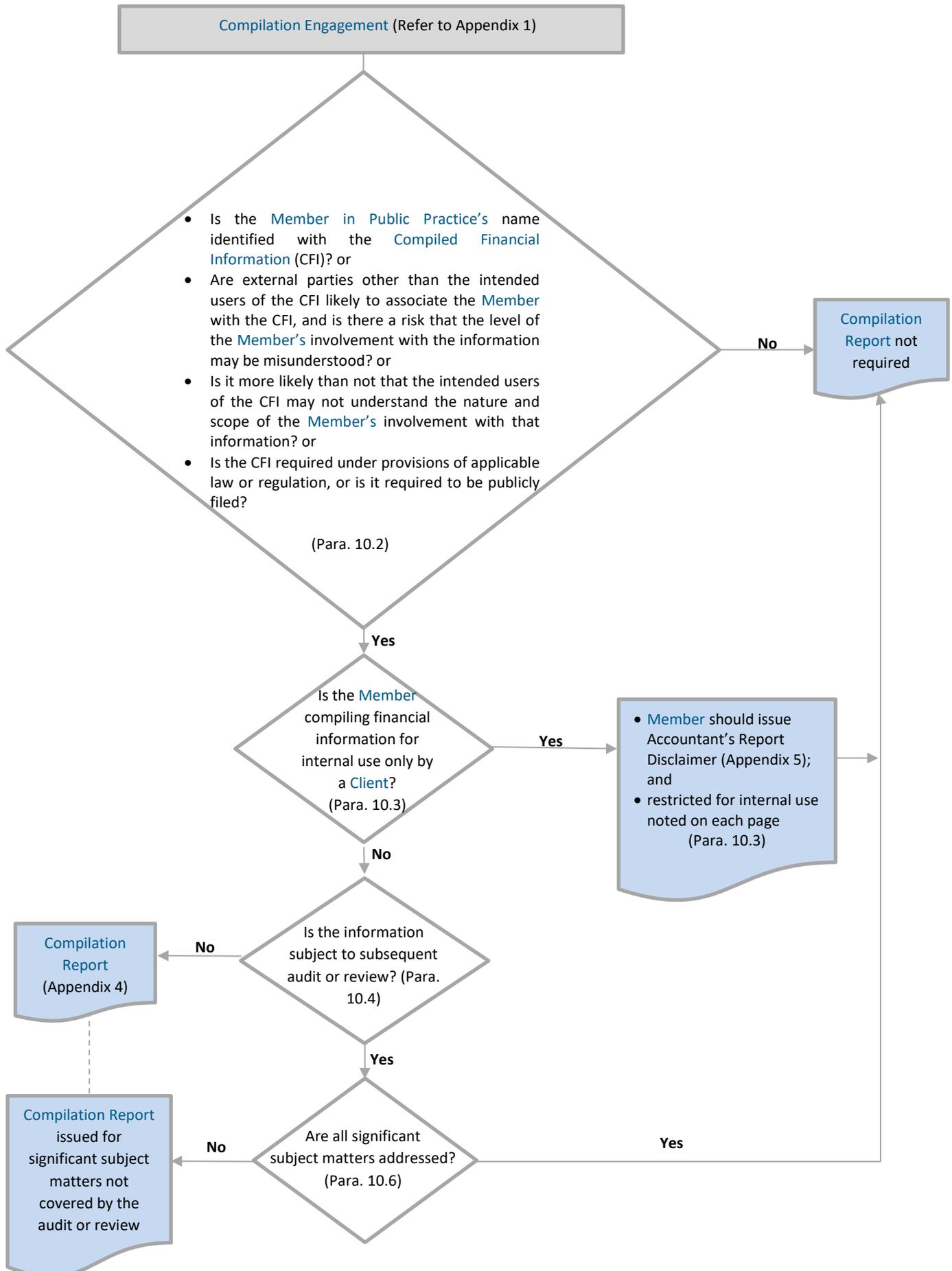
- The scope, application and definitions in APES 315 are tailored to the Australian environment;
- APES 315 is more stringent whereby a **Member in Public Practice** must follow the mandatory requirements of APES 315 when the **Member** undertakes **Engagements to Compile Financial Information**, whereas ISRS 4410's scope is flexible and limited to a practitioner who assists management with a compilation and applies only in circumstances where the practitioner is reporting in accordance with the revised ISRS 4410;
- In respect of relevant ethical requirements, APES 315 makes references to APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*;
- APES 315 prescribes that the **Compilation Report** must state the following, if applicable:
 - an explanatory statement that the **Member** is not independent of the **Client**;
 - the basis of any forecast information and key assumptions (applicable to prospective financial information);
 - where **Special Purpose Financial Statements** are prepared, a statement drawing attention to the basis of accounting;
 - an appropriate disclaimer of liability;
- When undertaking a **Compilation Engagement** in respect of **General Purpose Financial Statements** or **Special Purpose Financial Statements**, APES 315 mandates that a **Member in Public Practice** shall comply with APES 205 *Conformity with Accounting Standards*. The professional obligation for the **Member** to comply with APES 205 includes consideration of the going concern basis of preparation of **Financial Statements**;
- APES 315 requires that the **Terms of Engagement** be documented in accordance with APES 305 *Terms of Engagement*;
- In relation to quality management matters, APES 315 refers to **APES 320**, and where applicable **ASQM 1**;
- APES 315 refers **Members in Public Practice** to guidance in APES GN 30 *Outsourced Services* where the **Member** engages or outsources to a third party;
- Where a **Member in Public Practice** has **Compiled Financial Information** which is not within the scope of a **Compilation Engagement**, APES 315 recommends that the **Member** consider issuing an Accountant's Report Disclaimer (refer Appendix 5);
- APES 315 provides additional guidance on planning procedures which is dependent upon the context of the **Compilation Engagement** and the specific circumstances of the **Client**;

- Where the **Compiled Financial Information** is audited or reviewed by another practitioner, APES 315 permits a **Member in Public Practice** not to issue a **Compilation Report**. However, the **Member** is required to issue a **Compilation Report** if the scope of the **Compilation Engagement** extends to significant subject matter not covered in the audit or review;
- APES 315 provides additional requirements and guidance where the **Compilation Report** is prepared in accordance with a regulation or contract;
- APES 315 mandates that a **Member in Public Practice** includes the words 'Unaudited', 'Compiled without Audit or Review' or 'Refer to Compilation Report' on each page of the **Compiled Financial Information**;
- APES 315 incorporates additional professional obligations in respect of communication of significant matters to **Those Charged with Governance** of the **Client**;
- APES 315 incorporates additional professional obligations in respect of responding to Non-Compliance with Laws and Regulations (NOCLAR);
- APES 315 incorporates additional professional obligations in respect of subsequent discovery of facts;
- Appendix 1 of APES 315 provides guidance to determine whether an **Engagement** is a **Compilation Engagement**;
- Appendix 2 provides guidance to determine when a **Compilation Report** should be issued;
- The **Engagement Letter** in Appendix 3 is tailored to the Australian environment;
- The **Compilation Reports** in Appendix 4 are tailored to the Australian environment and include an additional example (Example 2) of a **Compilation Report** for an **Engagement** to compile **Special Purpose Financial Statements**; and
- Appendix 5 provides an example of an Accountant's Report Disclaimer that can be issued when a **Member in Public Practice** performs an excluded activity. Excluded activities are referred to in the definition of a **Compilation Engagement**.

Appendix 1 – Decision tree to determine whether an Engagement is a Compilation Engagement



Appendix 2 – Decision tree to determine when a Compilation Report should be issued



Appendix 3 – Example Engagement Letter for a Compilation Engagement

The following is an example of an *Engagement* letter for a *Compilation Engagement* that illustrates the relevant requirements and guidance contained in this Standard. This letter is not authoritative but is intended only to be a guide that may be used in conjunction with the considerations outlined in this Standard. It will need to be adapted according to the requirements and circumstances of individual *Compilation Engagements*. It is drafted to refer to the compilation of *Financial Statements* for a single reporting period and would require adaptation if intended or expected to apply to a recurring *Engagement* as described in this Standard. It may be appropriate to seek legal advice that any proposed letter is suitable.

This *Engagement* letter illustrates the following circumstances:

- The *Financial Statements* are to be compiled for sole use by the management of [name of entity] ('the *Client*') and use of the *Financial Statements* will be restricted to management. Use and distribution of the *Member in Public Practice's* report is also restricted to management.
- The compiled *Financial Statements* will comprise only the statement of financial position as at [30 June 20XX], the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of [material accounting policies/material accounting policy information] and other explanatory notes. These will be prepared in accordance with the [the financial reporting framework/basis of accounting] which will be described in Note 1 to the *Financial Statements*.

.....
 To [name of entity]:⁶

[The objective and scope of the compilation engagement]

You have requested that we provide the following services:

On the basis of information that you will provide, we will assist you in the preparation and presentation of the following financial statements for [name of entity]: the statement of financial position as at [30 June 20XX], the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of [material accounting policies/material accounting policy information] and other explanatory notes. These will be prepared in accordance with the [the financial reporting framework/basis of accounting] described in Note 1 to the financial statements.

The purpose for which the financial statements will be used is to provide financial information showing the client's financial position at the financial reporting date of [30 June, 20XX] and financial performance for the year then ended. The financial statements will be solely for your use and will not be distributed to other parties.

Our Responsibilities

A compilation engagement involves applying expertise in accounting and financial reporting to assist you in the preparation and presentation of financial information. Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information you provide to us for the compilation engagement, or otherwise to gather evidence to express an audit opinion or a review conclusion.⁷ Accordingly, we will not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the basis of accounting you have specified, as described above.

⁶ Throughout this illustrative *Engagement* letter, references to 'you', 'we', 'us', 'management', '*Those Charged with Governance*' and '*Member*' should be used or amended as appropriate in the circumstances.

⁷ Refer to AUASB standards for the issuance of audit opinions and review conclusions.

We will perform the compilation engagement in accordance with APES 315 *Compilation of Financial Information*. APES 315 requires that, in undertaking this engagement, we comply with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Your Responsibilities

The compilation engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to assist you in the preparation and presentation of the financial statements in accordance with the financial reporting framework you have adopted for the financial statements. Accordingly, you have the following overall responsibilities that are fundamental to our undertaking the compilation engagement in accordance with APES 315:

- (a) Responsibility for the form and content of the financial information in accordance with an applicable financial reporting framework that is acceptable in view of the intended use of the financial statements and the intended users.
- (b) Responsibility for the reliability, accuracy and completeness of the accounting records and disclosures you provide to us for the purpose of compiling the financial statements.
- (c) Responsibility for the judgements needed in the preparation and presentation of the financial statements, including those for which we may provide assistance in the course of the compilation engagement.

Our Compilation Report

As part of our engagement, we will issue our report attached to the financial statements compiled by us, which will describe the financial statements, and the work we performed for the compilation engagement [see pro forma attached]. The report will also note that the use of the financial statements is restricted to the purpose set out in this engagement letter and that use and distribution of our report is restricted to you, as the management of [name of entity].

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to compile the financial statements described herein, and our respective responsibilities.

[Other relevant information]

[Insert other information, such as fee arrangements, billings and other specific terms, as appropriate – refer paragraphs 6.1 and 6.2 and General contents of an Engagement Document of APES 305 Terms of Engagement.]

Address [Member or Firm]

Date

Acknowledgement

[name of entity]

Acknowledged and agreed on behalf of the management of [name of entity] by:

(signed)

.....
[Name and Title]

Date

Appendix 4 – Examples of Compilation Reports

*This Appendix includes example **Compilation Reports** for **Compilation Engagements** that illustrate the relevant requirements and guidance contained in this Standard. The example **Compilation Reports** are not authoritative and are intended to be a guide of what may be included. The example **Compilation Reports** will need to be adapted according to the requirements and circumstances of individual **Compilation Engagements**. It may be appropriate to seek legal advice that any proposed **Compilation Report** is suitable.*

Compilation Engagement for General Purpose Financial Statements

- Example 1: Member in Public Practice's report for an Engagement to compile Financial Statements using a General Purpose Framework.

Compilation Engagement for Special Purpose Financial Statements

- Example 2: Member in Public Practice's report for an Engagement to compile Financial Statements using a Special Purpose Framework.
- Example 3: Member in Public Practice's report for an Engagement to compile Financial Statements using a Special Purpose Framework with an additional paragraph that draws attention to the basis of accounting.

Compilation Engagements for financial information prepared for a special purpose where use or distribution of the financial information is restricted to the intended users

- Example 4: Member in Public Practice's report for an Engagement to compile Special Purpose Financial Statements using the basis of accounting specified in a contract.
- Example 5: Member in Public Practice's report for an Engagement to compile Special Purpose Financial Statements using a basis of accounting selected by the management of a Client for financial information required for management's own purposes.
- Example 6: Member in Public Practice's report for an Engagement to compile Special Purpose Financial Statements for regulatory compliance purposes.

Example 1: Example Compilation Report on an Engagement to compile General Purpose Financial Statements.

COMPILATION REPORT TO [name of entity] ('the Client')

We have compiled the accompanying general purpose financial statements of [name of entity], which comprise the statement of financial position as at [30 June 20XX], the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of [material accounting policies/material accounting policy information] and other explanatory notes. These have been prepared in accordance with Australian Accounting Standards.⁸

The Responsibility of [Those Charged with Governance]

[Those Charged with Governance] of [name of entity] are solely responsible for the information contained in the general purpose financial statements and the reliability, accuracy and completeness of the information.

Our Responsibility

On the basis of information provided by [Those Charged with Governance] we have compiled the accompanying general purpose financial statements in accordance with the (*financial reporting framework/basis of accounting*) and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with Australian Accounting Standards.⁸ We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion⁹ on these financial statements.

The general purpose financial statements were compiled for the benefit of [Those Charged with Governance] who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the general purpose financial statements.

Independence (if required)

We are not independent of [name of entity] because [*reasons why not independent, for example, the Member is a close relative of a director or proprietor of the entity*].

Address

[Member or Firm]

Date

⁸ Alternatively identify the fair presentation framework that has been adopted for the preparation of the [General Purpose Financial Statements](#), for example, IFRS.

⁹ Refer to [AUASB](#) standards for the issuance of audit opinions and review conclusions.

Example 2: Example Compilation Report on an Engagement to compile Special Purpose Financial Statements.

COMPILATION REPORT TO [name of entity] ('the Client')

We have compiled the accompanying special purpose financial statements of [name of entity], which comprise the [statement of financial position] as at [30 June 20XX], the [statement of profit or loss and other comprehensive income], [statement of changes in equity] and [statement of cash flows] for the year then ended, a [summary of material accounting policies/material accounting policy information] and [other explanatory notes]. The specific purpose for which the special purpose financial statements have been prepared is set out in Note [...].

The Responsibility of [Those Charged with Governance]

[Those Charged with Governance] of [name of entity] are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the [financial reporting framework/basis of accounting] used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by [Those Charged with Governance] we have compiled the accompanying special purpose financial statements in accordance with the (*financial reporting framework/basis of accounting*) as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the [financial reporting framework/basis of accounting] described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion¹⁰ on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of [Those Charged with Governance] who are responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, these special purpose financial statements may not be suitable for other purposes. We do not accept responsibility for the contents of the special purpose financial statements.

Independence (if required)

We are not independent of [name of entity] because [reasons why not independent, for example, the *Member is a close relative of a director or proprietor of the entity*].

Address

[Member or Firm]

Date

¹⁰ Refer to AUASB standards for the issuance of audit opinions and review conclusions.

Example 3: Example Compilation Report on an Engagement to compile Special Purpose Financial Statements with an additional paragraph that draws attention to the basis of accounting.

COMPILATION REPORT TO [name of entity] ('the Client')

We have compiled the accompanying special purpose financial statements of [name of entity], which comprise the statement of financial position as at [30 June 20XX], the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of [material accounting policies/material accounting policy information] and other explanatory notes. These have been prepared in accordance with the [*the financial reporting framework/basis of accounting*] described in Note 1 to the financial statements. The specific purpose for which the special purpose financial statements have been prepared is set out in Note [...].

The Responsibility of [Those Charged with Governance]

[Those Charged with Governance] of [name of entity] are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the [*financial reporting framework/basis of accounting*] used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by [Those Charged with Governance] we have compiled the accompanying special purpose financial statements in accordance with the [*financial reporting framework/basis of accounting*] and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the [*financial reporting framework/basis of accounting*] described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion¹¹ on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of [Those Charged with Governance] who are responsible for the reliability, accuracy and completeness of the information used to compile them. Accordingly, these special purpose financial statements may not be suitable for other purposes. We do not accept responsibility for the contents of the special purpose financial statements.

Note Regarding Basis of Accounting

We draw attention to Note [XX] to the financial statements. [Those Charged with Governance] of [name of entity] have determined not to (e.g. capitalise leases in accordance with Australian Accounting Standard AASB 16 *Leases*).

Address

[Member or Firm]

Date

¹¹ Refer to AUASB standards for the issuance of audit opinions and review conclusions.

Example 4: Example Compilation Report on an Engagement to compile Special Purpose Financial Statements using the basis of accounting specified in a contract.

COMPILATION REPORT TO [name of entity] ('the Client')

We have compiled the accompanying financial statements of [name of entity] based on information provided by the management of [name of entity] ('management'). These financial statements comprise *[name all the elements of the financial statements prepared under the basis of accounting specified in the contract and the period/date to which they relate]*.

The Responsibility of [Those Charged with Governance]

[Those Charged with Governance] of [name of entity] are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the *[financial reporting framework/basis of accounting]* used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by [Those Charged with Governance] we have compiled the accompanying special purpose financial statements in accordance with the *[financial reporting framework/basis of accounting]* and APES 315 *Compilation of Financial Information*.

We have applied our professional expertise in accounting and financial reporting to assist management in the preparation and presentation of these financial statements on the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

These financial statements and the reliability, accuracy and completeness of the information used to compile them are management's responsibility.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion¹² on these financial statements.

As stated in Note 1, the financial statements are prepared and presented on the basis described in clause [Z] of the provisions of the [name of entity]'s contract with [XYZ Limited] dated *[insert date of the relevant contract/agreement]* ('the Contract'), and for the purpose described in Note [Y] to the financial statements. Accordingly, these financial statements are intended for use only by the parties specified in the Contract and may not be suitable for other purposes.

Our compilation report is intended solely for the parties specified in the Contract and should not be distributed to other parties without our prior written consent.

Address

[Member or Firm]

Date

¹² Refer to AUASB standards for the issuance of audit opinions and review conclusions.

Example 5: Example Compilation Report on an Engagement to compile Special Purpose Financial Statements using the basis of accounting specified by management of the Client for management's own purposes.

COMPILATION REPORT TO [name of entity] ('the Client')

We have compiled the accompanying financial statements of [name of entity] based on information you have provided. These financial statements comprise the [statement of financial position] as at [30 June 20XX], the [statement of profit or loss and other comprehensive income], [statement of changes in equity] and [statement of cash flows] for the year then ended, a [summary of material accounting policies/material accounting policy information] and [other explanatory notes]. The specific purpose for which the special purpose financial statements have been prepared is set out in Note [...].

The Responsibility of [Those Charged with Governance]

[Those Charged with Governance] of [name of entity] are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the [*financial reporting framework/basis of accounting*] used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by [Those Charged with Governance] we have compiled the accompanying special purpose financial statements in accordance with the [*financial reporting framework/basis of accounting*] and APES 315 *Compilation of Financial Information*.

We have applied our professional expertise in accounting and financial reporting to assist management in the preparation and presentation of these financial statements on the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

These financial statements and the reliability, accuracy and completeness of the information used to compile them are management's responsibility.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion¹³ on these financial statements.

Note [X] states the basis on which these financial statements are prepared, and their purpose is described in Note [Y]. Accordingly, these financial statements are for your use only and may not be suitable for other purposes.

Our compilation report is intended solely for your use in your capacity as management of [name of entity] and should not be distributed to other parties without our prior written consent.

Address

[Member or Firm]

Date

¹³ Refer to AUASB standards for the issuance of audit opinions and review conclusions.

Example 6: Example Compilation Report on an Engagement to compile Special Purpose Financial Statements for regulatory compliance purposes.

COMPILATION REPORT TO [name of entity] ('the Client')

We have compiled the accompanying schedule of [*identify the compiled financial information*] of [name of entity] as at [30 June 20XX] ('the Schedule') based on information you have provided.

The Responsibility of [Those Charged with Governance]

[Those Charged with Governance] of [name of entity] are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the [*financial reporting framework/basis of accounting*] used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

This Schedule and the reliability, accuracy and completeness of the information used to compile it are your responsibility.

Our Responsibility

On the basis of information provided by [Those Charged with Governance] we have compiled the accompanying special purpose financial statements in accordance with the (*financial reporting framework/basis of accounting*) and APES 315 *Compilation of Financial Information*.

We have applied our professional expertise in accounting and financial reporting to assist management in the preparation and presentation of these financial statements on the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information you provided to us to compile the Schedule. Accordingly, we do not express an audit opinion or a review conclusion¹⁴ on whether the Schedule is prepared in accordance with [*insert name of or reference to Applicable Financial Reporting Framework as specified in the relevant regulation*].

As stated in Note [X], the Schedule is prepared and presented on the basis prescribed by [*insert name of or reference to the Applicable Financial Reporting Framework as specified in the relevant regulation*], for the purpose of [name of entity]'s compliance with [insert name of or reference to the relevant regulation]. Accordingly, the Schedule is for use only in connection with that purpose and may not be suitable for any other purpose.

Our compilation report is intended solely for the use of [name of entity] and [name of regulator] and should not be distributed to parties other than [name of entity] or [name of regulator] without our prior written consent.

Address

[Member or Firm]

Date

¹⁴ Refer to AUASB standards for the issuance of audit opinions and review conclusions.

Appendix 5 – Example of an Accountant’s Report Disclaimer

The following is an example Accountant’s Report Disclaimer that illustrates the relevant requirements and guidance contained in this Standard. This Accountant’s Report Disclaimer is not authoritative and is intended to be a guide of what may be included. It will need to be adapted according to the requirements and circumstances of individual [Compilation Engagement](#). It is drafted to refer to the compilation for an excluded activity being [Special Purpose Financial Statements](#) to be used as the basis to complete an income tax return. It may be appropriate to seek legal advice that any proposed Accountant’s Report Disclaimer is suitable.

Example Accountant’s Report Disclaimer on an excluded activity to prepare [Special Purpose Financial Statements](#) used as a basis to complete an income tax return.

ACCOUNTANT’S REPORT DISCLAIMER

Purpose and Scope

The attached unaudited special purpose financial statements of [name of entity], for the year ended [30 June 20XX], have been prepared for [[Those Charged with Governance](#)] solely for the purpose of the preparation of the entity’s income tax return and have not been prepared for use by third parties or any other purpose.

Responsibility of [[Those Charged with Governance](#)]

[[Those Charged with Governance](#)] of the entity are solely responsible for the information contained in the unaudited special purpose financial statements.

Our Procedures

The unaudited special purpose financial statements have been prepared in accordance with historical transactions provided to us by [[Those Charged with Governance](#)].

We have not conducted an audit or review in respect of this engagement. Accordingly, no opinion is expressed in respect of the accuracy or otherwise of the unaudited special purpose financial statements.

Disclaimer

The unaudited special purpose financial statements were prepared exclusively for the entity to use as a basis to complete its income tax return. We do not accept responsibility to any person for the contents of the unaudited special purpose financial statements.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than our client, may suffer arising from any negligence on our part. No person should rely on the unaudited special purpose financial statements without having an audit or review conducted.

Address

[[Member or Firm](#)]

Date

Appendix 6 – Summary of revisions to the previous APES 315 (Issued in December 2019)

APES 315 *Compilation of Financial Information* was originally issued in July 2008 and revised in November 2009, February 2015, March 2017 and December 2019 (extant APES 315). APES 315 has been revised by APESB in March 2023. A summary of the revisions is given in the table below.

Table of revisions*

| Paragraph affected | How affected |
|--|--|
| 1.1 | Amended |
| 1.2 | Amended |
| 1.11 | Amended (Class Order title changed to italics) |
| 2 – Definition of APES 320 | Added |
| 2 – Definition of ASQM 1 | Added |
| 2 – Definition of Assurance Engagement | Amended |
| 2 – Definition of Assurance Practice | Added |
| 2 – Definition of Financial Statements | Amended |
| 2 – Definition of Misstatement | Amended |
| 2 – Definition of Special Purpose Financial Statements | Amended |
| 5.3 | Amended |
| 7.4 | Amended |
| 8.1 | Amended |
| 8.4 | Amended |
| 11.6 | Amended |
| 12.6 | Amended |
| Conformity with International Pronouncements | Amended |
| Appendix 3 | Amended |
| Appendix 4 | Amended |
| Appendix 5 | Amended |

* Refer *Technical Update 2023/2*