



APES 315

COMPILATION OF FINANCIAL INFORMATION

(Issued July 2008)

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Compilation of Financial Information

1. Scope and application

- 1.1 Accounting Professional & Ethical Standards Board Limited (APESB) issues professional standard APES 315 Compilation of Financial Information (the Standard), which is effective for Engagements commencing on or after 01 January 2009. Earlier adoption of this Standard is permitted.
- 1.2 APES 315 sets the standards for Members in Public Practice who undertake Compilation Engagements in the provision of quality and ethical Professional Services. The mandatory requirements of this Standard are in **bold** type, preceded or followed by discussion or explanation in grey type. APES 315 should be read in conjunction with other professional duties of Members, and any legal obligations that may apply.
- 1.3 **Members in Public Practice in Australia shall follow the mandatory requirements of APES 315 when they undertake Professional Services to Clients that are Compilation Engagements.**
- 1.4 **Members in Public Practice practising outside of Australia shall follow the provisions of APES 315 to the extent to which they are not prevented from so doing by specific requirements of local laws and/or regulations.**
- 1.5 **Members shall be familiar with relevant Professional Standards and guidance notes when providing Professional Services. All Members shall comply with the fundamental principles outlined in the Code.**
- 1.6 The Standard is not intended to detract from any responsibilities which may be imposed by law or regulation.
- 1.7 All references to Professional Standards, guidance notes and legislation are references to those provisions as amended from time to time.
- 1.8 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 the Standard and the Code.
- 1.9 This Standard is directed towards Engagements to compile historical or prospective financial information.
- 1.10 The Standard should be applied to the extent practicable for Engagements to compile non-financial information.
- 1.11 This Standard is directed towards Members in Public Practice. However, Members in Business should apply this Standard to the extent practicable when they compile information for their employers especially in respect of regulatory reporting requirements and Compilation Reports prepared under ASIC Class Order CO 98/1417 *Audit relief for proprietary companies*.

2. Definitions

For the purpose of this Standard:

Applicable Financial Reporting Framework means in respect of an Engagement to prepare Financial Statements, the financial reporting framework adopted by Those Charged with Governance.

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

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Client means an individual, firm, entity or organisation to whom or to which Professional Services 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*.

Compilation Engagement means an Engagement to compile financial information.

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

Compiled Financial Information means a presentation of historical or prospective financial information in a specified form, without undertaking to express any assurance on the information. For the purposes of this Standard Compiled Financial Information includes Financial Statements.

Engagement means an agreement, whether written 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 a written form.

Financial Statements means a structured representation of historical or prospective financial information, which ordinarily includes explanatory 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 term can refer to a complete set of Financial Statements, but it can also refer to a single financial statement, for example, a balance sheet, or a statement of revenue and expenses, 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, the term financial report is considered to be equivalent to Financial Statements.

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

General Purpose Financial Statements means those intended to meet the needs of users who are not in a position to require an entity to prepare reports tailored to their particular information needs.

Independence means

- (a) Independence of mind - the state of mind that permits the provision of an opinion without being affected by influences that compromise professional judgment, allowing an individual to act with integrity, and exercise objectivity and professional scepticism; and
- (b) Independence in appearance - the avoidance of facts and circumstances that are so significant a reasonable and informed third party, having knowledge of all relevant information, including any safeguards applied, would reasonably conclude a Firm's, or a member of the Engagement team's, integrity, objectivity or professional scepticism had 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.

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Member in Business means a Member employed or engaged in an executive or non-executive capacity in such areas as commerce, industry, service, the public sector, education, the not for profit sector, regulatory bodies or professional bodies, or a Member contracted by such entities.

Member in Public Practice means a Member, irrespective of functional classification (e.g. audit, tax, or consulting) in a Firm that provides Professional Services. The term is also used to refer to a Firm of Members in Public Practice and means a practice entity as defined by the applicable professional body.

Professional Services means services requiring accountancy or related skills performed by a Member in Public Practice including accounting, auditing, taxation, management consulting and financial management services.

Professional Standards mean 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 Financial Statements other than General Purpose Financial Statements.

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 include those persons accountable for ensuring that the entity achieves its objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws, and reporting to interested parties. Those Charged with Governance include management only when it performs such functions.

3. Fundamental responsibilities of Members in Public Practice

3.1 Members in Public Practice undertaking Compilation Engagements shall comply with Section 100 *Introduction and Fundamental Principles* of the Code and relevant legislation.

Public interest

3.2 In accordance with Section 100 *Introduction and Fundamental Principles* of the Code, Members in Public Practice shall observe and comply with their public interest obligations when they undertake Compilation Engagements.

Professional competence and due care

3.3 Members in Public Practice undertaking Compilation Engagements shall maintain professional competence and take due care in the performance of their work in accordance with Section 130 *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 should make a statement to that effect in the Compilation Report.

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4. Objectives of a Compilation Engagement

- 4.1 The objective of a Compilation Engagement is for the Member in Public Practice to use accounting expertise, as opposed to auditing expertise, to collect, classify and summarise financial information. This will ordinarily entail reducing detailed data to a manageable and understandable form without a requirement to test the assertions underlying that information. The procedures employed are not designed and do not enable the Member to express any assurance on the financial information.
- 4.2 A Compilation Engagement may involve the preparation of Financial Statements (which may or may not be a complete set of Financial Statements). It may also involve compilation of other financial information without the compilation of Financial Statements.
- 4.3 Activities which fall outside the scope of APES 315 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;
 - (c) relaying information to a Client, without collection, classification or summarisation of the information.

5. Planning

- 5.1 **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.**

6. General Purpose or Special Purpose Financial Statements

- 6.1 **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*.**

7. Defining the Terms of Engagement

- 7.1 **A Member in Public Practice shall document and communicate the Terms of Engagement in accordance with APES 305 *Terms of Engagement*.**
- 7.2 In addition to the *General contents of an Engagement Document of APES 305 Terms of Engagement*, a Member in Public Practice should consider the following matters for inclusion in the Engagement Document:
- (a) nature of the Engagement including the fact that neither an audit nor a review will be carried out and that accordingly no assurance will be expressed;
 - (b) 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) nature of the information to be supplied by the Client;
 - (d) in respect of prospective financial information, the basis of forecasting;

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- (e) key assumptions relating to prospective financial information provided by the Client;
- (f) in the event that the Member makes assumptions in forecasts these assumptions will be brought to the Client's attention;
- (g) fact that the Client is responsible for the accuracy and completeness of the information supplied to the Member and that an acknowledgement of such will be required in accordance with paragraph 11;
- (h) basis of accounting on which the financial information is to be compiled and the fact that it, and any known departures there from, will be disclosed;
- (i) requirement for General Purpose Financial Statements to be prepared in accordance with Australian Accounting Standards;
- (j) intended use and distribution of the information, once compiled;
- (k) form of any Compilation Report to be issued; and
- (l) 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.

8. Procedures

- 8.1 A Member in Public Practice should obtain a general knowledge of the business and operations of the Client and should be familiar with the accounting principles and practices of the industry in which the Client operates and with the form and content of the financial information that are appropriate in the circumstances.
- 8.2 Other than as noted in this Standard, a Member in Public Practice is not ordinarily required to:
- (a) make any inquiries of management to assess the reliability and completeness of the information provided;
 - (b) assess internal controls;
 - (c) verify any matters; or
 - (d) verify any explanations.
- 8.3 **A Member in Public Practice who, on reasonable grounds, forms the view that the information supplied by the Client is materially false or misleading or the Client has omitted material information, shall consider performing the procedures noted in paragraph 8.2 and request the Client to provide any additional information required to complete the Engagement.**
- 8.4 **If the Client refuses to provide the additional information as requested under paragraph 8.3 or, having performed the procedures noted in paragraph 8.2, the Member in Public Practice concludes that the information supplied by the Client is materially false or misleading, 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 *Quality Control for Firms* in determining whether to continue acting for the Client in a professional capacity.**
- 8.5 **A Member in Public Practice shall perform sufficient reviews of the Compilation Engagement in accordance with Section 130 *Professional Competence and Due Care* of the Code and the Firm's policies and procedures established in accordance with *Engagement Performance* of APES 320 *Quality Control for Firms* prior to issuing the Compilation Report.**

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9. Misstatements

9.1 A Member in Public Practice shall consider whether the Compiled Financial Information is appropriate in form and content and free from obvious material misstatements.

9.2 In this Standard, material misstatements include the following:

- (a) material mistakes in the application of the Applicable Financial Reporting Framework or an alternative financial reporting framework;
- (b) non-disclosure of the financial reporting framework and any material departures therefrom; and
- (c) non-disclosure of significant matters.

9.3 For the purpose of paragraph 9.2(a) examples of alternative financial reporting frameworks that may be applied to the presentation of Compiled Financial Information include, but are not limited to:

- (a) a tax basis of accounting;
- (b) the cash receipts and disbursements basis of accounting for cash flow information;
- (c) the financial reporting provisions established by a regulator to meet the requirements of that regulator; and
- (d) the financial reporting provisions of a contract, for example a loan agreement or trust deed.

9.4 If a Member in Public Practice forms the view, on reasonable grounds, that there are material misstatements in the Compiled Financial Information, the Member shall take all reasonable steps to agree appropriate amendments with the Client.

9.5 If such amendments are not made as requested under paragraph 9.4 and the Compiled Financial Information is considered to be misleading, 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 Quality Control for Firms* in determining whether to continue acting for the Client in a professional capacity.

10. Documentation

10.1 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 compilation of 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 Quality Control for Firms*, and any applicable ethical, legal and regulatory requirements.

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11. Responsibility of the Client

- 11.1 A Member in Public Practice who undertakes a Compilation Engagement in respect of General Purpose or Special Purpose Financial Statements, shall obtain an acknowledgment from the Client of its responsibility for the reliability, accuracy and completeness of the accounting records and disclosure to the Member of all material and relevant information.**
- 11.2 A Member in Public Practice who undertakes a Compilation Engagement other than those referred to in paragraph 11.1, should obtain an acknowledgement from the Client of its responsibility for the reliability, accuracy and completeness of the financial information and disclosure to the Member of all material and relevant information.
- 11.3 The acknowledgment referred to in paragraphs 11.1 and 11.2 may be provided by representations from the Client which cover the accuracy and completeness of the underlying accounting data and the complete disclosure of all material and relevant information to the Member in Public Practice.

12. Reporting on a Compilation Engagement

- 12.1 When a Member in Public Practice prepares Compiled Financial Information, the Member shall issue a Compilation Report, subject to the requirements of paragraph 12.3, in circumstances where:**
- (a) the Member's name is identified with the Compiled Financial Information;**
 - (b) the Compiled Financial Information is for external use; or**
 - (c) it is more likely than not that the intended user of the Compiled Financial Information may not understand the nature and scope of the Member's involvement with that information.**
- 12.2 Generally when a Member in Public Practice compiles financial information for internal use by the Client, this Standard does not mandate the issue of a Compilation Report. In these circumstances the use of the Compiled Financial Information is restricted. The Member should include a reference that specifies that such Compiled Financial Information is "Restricted for internal use" or similar on each page of the Compiled Financial Information.
- 12.3 Where the Client has engaged another Member in Public Practice to audit or review the Compiled Financial Information in accordance with Australian auditing standards applicable to audit or review Engagements, the Member in Public Practice undertaking the Compilation Engagement shall consider 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.**
- 12.4 In the circumstances described in paragraph 12.3, if an audit or review report has been issued, this will override the need for the Member in Public Practice to issue a Compilation Report.
- 12.5 Where the circumstances described in paragraph 12.3 apply and the scope of the Compilation Engagement extends to significant subject matter not covered under the audit or review Engagement, the Member in Public Practice shall issue a Compilation Report for the subject matter not covered under the audit or review Engagement.**

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12.6 Where a Member in Public Practice issues a Compilation Report in accordance with paragraph 12.1 or 12.5, the Compilation Report shall contain the following:

- (a) a title;
- (b) an addressee;
- (c) a statement that the Engagement was performed in accordance with this Standard;
- (d) when relevant, a statement that the Member is not independent of the Client;
- (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;
- (g) key assumptions (applicable to prospective financial information only);
- (h) a statement that the Client is responsible for the financial information compiled by the Member;
- (i) a statement that neither an audit nor a review has been carried out and that accordingly no assurance is expressed on the Compiled Financial Information;
- (j) if applicable, identification that the Member is reporting on a Special Purpose Financial Statement and the specific purpose for which it has been prepared;
- (k) if applicable, a paragraph drawing attention to the disclosure of material departures from the applicable financial reporting framework;
- (l) the date of the Compilation Report;
- (m) the Member's or Firm's address;
- (n) the Member's or Firm's name and signature;
- (o) an appropriate disclaimer of liability.

12.7 Where a Member in Public Practice issues a Compilation Report in accordance with paragraph 12.1 or 12.5, 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.

13. Communication of significant matters

13.1 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.

13.2 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.

13.3 If the Member in Public Practice obtains information that indicates that a material fraud, material misstatement or illegal act has occurred, the Member shall communicate these matters as soon as practicable to Those Charged with Governance of the Client.

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- 13.4 Matters which should be communicated by the Member in Public Practice include:
- (a) material 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 material 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;
 - (d) any other matters that, in the Member's opinion, are significant in the context of the Compilation Engagement.

13.5 Where the Member in Public Practice obtains information that a material 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 *Quality Control for Firms* in determining whether to continue acting for the Client in a professional capacity.

14. Subsequent discovery of facts

- 14.1 Subsequent to the completion of the Compilation Engagement, the 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 materially false or misleading, had the Member been aware of such facts.
- 14.2 A Member in Public Practice shall consider the impact of subsequent discovery of facts on the Compiled Financial Information, 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.**
- 14.3 If the Member in Public Practice believes that the Compiled Financial Information referred to in paragraph 14.2 needs to be revised, the Member shall take all reasonable steps to ensure that the Client takes the necessary steps to inform anyone who received the previously issued Compiled Financial Information of the situation.**
- 14.4 When determining whether the Compiled Financial Information needs to be revised pursuant to paragraph 14.3, the Member in Public Practice should consider inter alia the duration of time between the issue of the Compiled Financial Information and the subsequent discovery of facts referred to in Paragraph 14.1, and the extent to which important decisions based on the Compiled Financial Information are still to be made.

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- 14.5** If the Member in Public Practice becomes aware that the Client has not taken appropriate action in terms of paragraph 14.3, the Member shall notify Those Charged with Governance of the Client.
- 14.6** If 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 Quality Control for Firms* in determining whether to continue acting for the Client in a professional capacity.

Examples of suggested Compilation Reports in respect of General Purpose and Special Purpose Financial Statements are contained in Appendix 1

Conformity with International Pronouncements

APES 315 and ISRS 4410

The basic principles and essential procedures of APES 315 and of ISRS 4410 *Engagements to Compile Financial Statements* issued by the International Auditing and Assurance Standards Board (IAASB) are consistent in all material respects, except that the scope and application and definitions are unique to APES 315 and except for the matters noted below:

- When undertaking a Compilation Engagement in respect of General Purpose or Special Purpose Financial Statements, APES 315 mandates that the Member in Public Practice needs to comply with APES 205 *Conformity with Accounting Standards*;
- The objectives of the Compilation Engagement (paragraph 4.1) and the requirement for Member to obtain a general knowledge of the business (paragraph 8.1) are included as guidance in APES 315;
- APES 315 requires that the Terms of Engagement be documented in accordance with APES 305 *Terms of Engagement*;
- APES 315 requires that the Compilation Report needs to include, where applicable, identification that the Member in Public Practice is reporting on Special Purpose Financial Statements and the specific purpose for which they have been prepared;
- APES 315 requires the inclusion of an appropriate disclaimer of liability in the Compilation Report;
- APES 315 addresses communication of significant matters to Those Charged with Governance of the Client and procedures to follow when facts are subsequently discovered which indicate that the Compiled Financial Information is materially misstated;
- APES 315 does not include a sample engagement letter; and
- APES 315 includes an example of a Compilation Report for each of General Purpose Financial Statements and Special Purpose Financial Statements. ISRS 4410 only include an example of a Compilation Report for Financial Statements.

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APPENDIX 1: Examples of Compilation Reports

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 balance sheet as at 30 June 20XX, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies 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 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 have determined 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 general purpose financial statements in accordance with the *(financial reporting framework/basis of accounting)* and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which [those charged with governance] provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The general purpose financial statements were compiled exclusively for the benefit of [those charged with governance]. We do not accept responsibility to any other person 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

Compilation of Financial Information

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 balance sheet as at 30 June 20XX, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies 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 and have determined 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*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which [those charged with governance] provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of [those charged with governance]. We do not accept responsibility to any other person 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

Compilation of Financial Information

Example 3

Example Compilation Report on an engagement to compile General Purpose Financial Statements with an additional paragraph that draws attention to a departure from the identified financial reporting framework.

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

We have compiled the accompanying general purpose financial statements of [name of entity], which comprise the balance sheet as at 30 June 20XX, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies 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 Responsibility of [Those Charged with Governance]

[Those charged with governance] of the [name of entity] are solely responsible for the information contained in the general purpose financial statements and have determined 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 general purpose financial statements in accordance with the *(financial reporting framework/basis of accounting)* and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which [those charged with governance] provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The general purpose financial statements were compiled exclusively for the benefit of [those charged with governance]. We do not accept responsibility to any other person for the contents of the general purpose financial statements.

Departure from the financial reporting framework

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 117 *Leases*) which is a departure from the applicable financial reporting framework.

Address

Member or Firm

Date