

EXAMPLE ASSURANCE REPORTS ON COMPLIANCE

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

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

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

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

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

Independent Assurance Report

[Appropriate Addressee]

Conclusion

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

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

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

Basis for Conclusion

We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3100 (Revised) *Compliance Engagements* issued by the New Zealand Auditing and Assurance Standards Board.

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

ABC's Responsibilities

ABC is responsible for:

- (a) The compliance activity undertaken to meet the [compliance requirements].
- (b) Identification of risks that threaten the [compliance requirements] identified above being met and controls which will mitigate those risks and monitor ongoing compliance.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3⁴⁷, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibilities

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

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

[Insert an informative summary of the nature, timing and extent of procedures performed that, in the assurance practitioner's judgement, provides additional information that may be relevant to the users' understanding of the basis for the assurance practitioner's conclusion. The following section has been provided as guidance, and the example

⁴⁷ Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

*procedures are not an exhaustive list of either the type, or extent, of the procedures which may be important for the users' understanding of the work performed.*⁴⁸

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

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

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

Other than in our capacity as the independent assurance practitioners we have no relationship with, or interests in, ABC.

Inherent Limitations

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

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

*[Restricted Use]*⁴⁹

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

⁴⁸ The procedures are to be summarised but not to the extent that they are ambiguous, nor described in a way that is overstated or embellished or that implies that reasonable assurance has been obtained. It is important that the description of the procedures does not give the impression that an agreed-upon procedures engagement has been undertaken, and in most cases will not detail the entire work plan.

⁴⁹ Insert section if the report is restricted use.

*[Assurance practitioner's signature]*⁵⁰

[Date of the assurance practitioner's assurance report]

*[Assurance practitioner's location]*⁵¹

⁵⁰ The assurance practitioner's report needs to be signed in one or more of the following ways: name of the assurance practitioner's firm, name of the assurance practitioner's company or the personal name of the assurance practitioner as appropriate.

⁵¹ The assurance practitioner's address includes the location in the jurisdiction where the assurance practitioner practices.

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

Independent Assurance Report

[Appropriate Addressee]

Opinion

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

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

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

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

Basis for Opinion

We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3100 (Revised) *Compliance Engagements* issued by the New Zealand Auditing and Assurance Standards Board.

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

ABC's Responsibilities

ABC is responsible for:

- (a) The compliance activity undertaken to meet the [compliance requirements].
- (b) Identification of risks that threaten the [compliance requirements] identified above being met and controls which will mitigate those risks and monitor ongoing compliance.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibilities

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

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

Other than in our capacity as the independent assurance practitioners we have no relationship with, or interests in, ABC.

Inherent Limitations

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

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

[Restricted Use]⁵²

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

⁵² Insert section if the report is restricted use.

[Assurance practitioner's signature]⁵³

[Date of the assurance practitioner's assurance report]

[Assurance practitioner's location]⁵⁴

⁵³ The assurance practitioner's report needs to be signed in one or more of the following ways: name of the assurance practitioner's firm, name of the assurance practitioner's company or the personal name of the assurance practitioner as appropriate.

⁵⁴ The assurance practitioner's address includes the location in the jurisdiction where the assurance practitioner practices.

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

Independent Assurance Report

[Appropriate Addressee]

Opinion

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

In our opinion, ABC’s Statement⁵⁵ that the entity has complied with the [compliance requirements] is, in all material respects, fairly presented as evaluated against the [suitable criteria] [throughout the specified period or as at a specified date].

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

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

Basis for Opinion

We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3100 (Revised) Compliance *Engagements* issued by the New Zealand Auditing and Assurance Standards Board.

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

⁵⁵ This attestation example report assumes the responsible party provides a Statement of Compliance, if this is not provided the assurance practitioner’s conclusion would be expressed in terms of whether the compliance requirements have been met.

ABC's Responsibilities

ABC is responsible for:

- (a) Providing a Statement with respect to the outcome of the evaluation of the compliance activity against the compliance requirements which accompanies this independent assurance report.
- (b) Identification of the compliance requirements if not identified by law and regulation.
- (c) The compliance activity undertaken to meet the [compliance requirements].
- (d) Identification of risks that threaten the [compliance requirements] identified above not being met, and controls which will mitigate those risks and monitor ongoing compliance.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibilities

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

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

Other than in our capacity as the independent assurance practitioners we have no relationship with, or interests in, ABC.

Inherent Limitations

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

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

*[Restricted Use]*⁵⁶

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

*[Assurance practitioner's signature]*⁵⁷

[Date of the assurance practitioner's assurance report]

*[Assurance practitioner's location]*⁵⁸

⁵⁶ Insert section if the report is restricted use.

⁵⁷ The assurance practitioner's report needs to be signed in one or more of the following ways: name of the assurance practitioner's firm, name of the assurance practitioner's company or the personal name of the assurance practitioner as appropriate.

⁵⁸ The assurance practitioner's address includes the location in the jurisdiction where the assurance practitioner practices.