

Form of Opinion			
Unmodified opinion	when the auditor concludes that the FSs are prepared, in all material respects, in accordance with the AFRF		
Modified Opinion	SAAE Obtained	If the auditor concludes that, based on the audit evidence obtained, the FSs as a whole are not free from MMS;	
	Or		
If FSs prepared as per fair presentation framework	Unable to obtain SAAE	is unable to obtain SAAE to conclude that the FSs as a whole are free from MMS,	
	do not achieve fair presentation,	Discuss	the auditor shall discuss the matter with MGT and,
When the FSs are prepared in accordance with a compliance framework,	However, in extremely rare circumstances the auditor concludes that such FSs are misleading,	Determine	shall determine whether it is necessary to modify the opinion in the auditor's report in accordance with SA 705
		Discuss	the auditor shall discuss the matter with MGT and,
When the FSs are prepared in accordance with a compliance framework,	the auditor is not required to evaluate whether the FSs achieve fair presentation.	Determine	depending on how it is resolved, shall determine whether, and how, to communicate it in the auditor's report.
		Discuss	the auditor shall discuss the matter with MGT and,

True – Factually correct information which

- conforms with accounting standards and relevant legislation, and
- agrees with the underlying records.

Fair – Clear, impartial and unbiased information

- which reflects the commercial substance of the transactions of the entity.

For example – Security amount received from customers is your liability and not your income, if shown as income it is not clear, impartial and unbiased and therefore it is not fair.

Auditor's Report

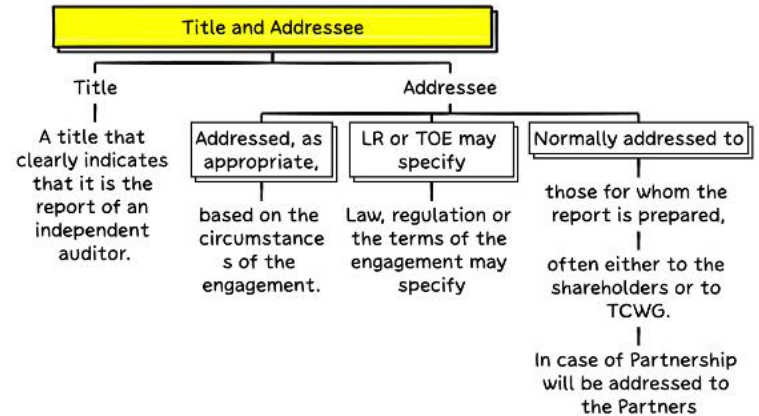
- The auditor's report shall be in **writing**.
- This SA- 700 requires the use of specific headings, which are intended to assist in making the auditor's report more recognizable, where audit is conducted in accordance with the relevant Standards on Auditing.

Auditor's Report for Audits Conducted in Accordance with Standards on Auditing

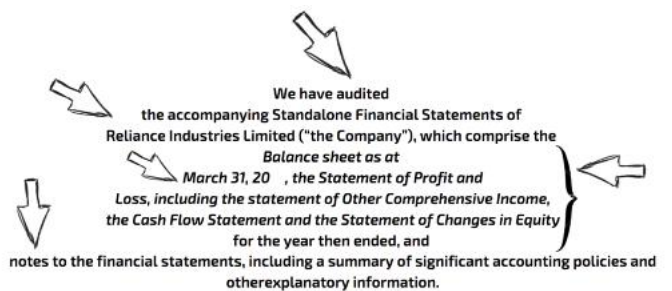
- Title
- Addressee
- Auditor's Opinion
- Basis for Opinion
- Going Concern
- Key Audit Matters
- Other Information
- Responsibilities for the FSs
- Auditor's Responsibilities for the Audit of the FSs

- Location of the description of the auditor's responsibilities
- Other Reporting Responsibilities
- Signature of the Auditor
- Place of Signature
- Date of the Auditor's Report

Elements of Audit Report



Auditor's Opinion		
first section		
shall have the heading "Opinion."		
The Opinion section shall:	Identify the entity	Identify the entity whose financial statements have been audited;
	FS Audited	State that the FS have been audited;
	Identify the title	Identify the title of each statement comprising the financial statements;
	Refer to the notes	Refer to the notes, including the summary of significant accounting policies; and
	Date, Period	Specify the date of, or period covered by, each financial statement comprising the financial statements.
When the auditor expresses an unmodified opinion, it is not appropriate to use phrases such as "with the foregoing explanation" or "subject to" in relation to the opinion, as these suggest a conditional opinion or a weakening or modification of opinion.		



Basis for Opinion Section	
directly following the Opinion section,	
Heading "Basis for Opinion"	
Content	States that the audit was conducted in accordance with SAs;
	Refers to the section of the auditor's report that describes the auditor's responsibilities under the SAs;
	Independence And Ethical Requirement Statement
	Includes a statement that the auditor is independent of the entity in accordance with the relevant ethical requirements relating to the audit and has fulfilled the auditor's other ethical responsibilities.
Whether SAAE Obtained	States whether the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor's opinion.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Going Concern

Where applicable, the auditor shall report in accordance with SA 570.

Key Audit Matters

- The auditor shall communicate key audit matters in the auditor's report in accordance with SA 701.
- KAM is to be communicated in case of Listed Entities or When required by law or regulation or When auditor decides to communicate key audit matters in the auditor's report.

Other Information

Where applicable, the auditor shall report in accordance with SA 720

Responsibilities for the FSs

The auditor's report shall include a section with a heading "Responsibilities of Management for the FSs."

This section of the auditor's report shall describe Management's responsibility for:

- Preparing the **financial statements** in accordance with the AFRF,
- and for such **internal control**
 - as management determines is **necessary** to **enable** the **preparation** of FS that are **free** from material misstatement, whether due to fraud or error;
- Assessing the
 - entity's **ability** to **continue** as a **going concern** and
 - whether the **use** of the going concern basis of accounting is **appropriate**
 - as well as disclosing, if applicable, matters relating to going concern.

Oversight of the financial reporting process. (Under Mgt. Respo only)

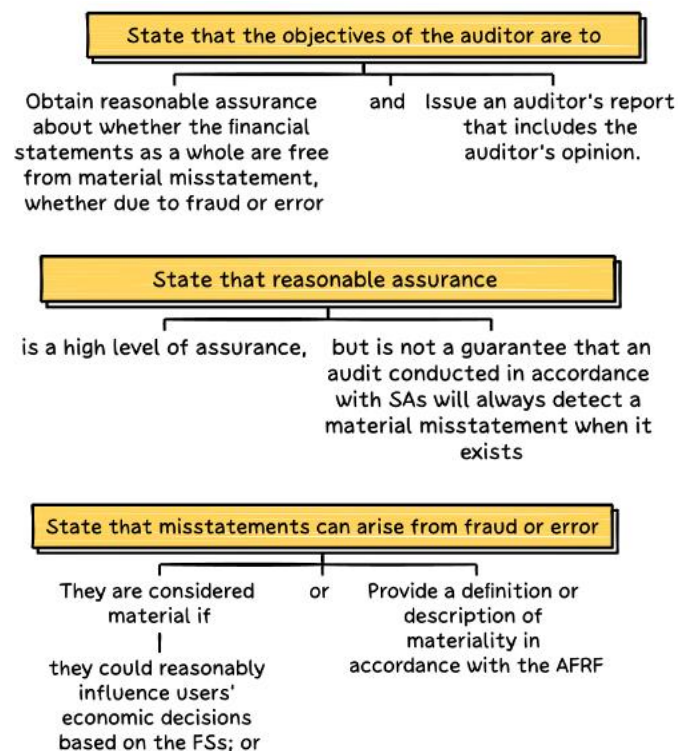
This section of the auditor's report shall also **identify**

- those **responsible** for the oversight of the financial reporting process,
- **when** those responsible for such oversight are **different** from Management.

In this case, the **heading** of this section **shall also refer** to "TCWG" or such term that is appropriate in the context of the legal framework applicable to the entity.

Auditor's Responsibilities for the Audit of the FSs

The auditor's report shall include a section with the heading "Auditor's Responsibilities for the Audit of the FSs." This section of the auditor's report shall:



The Auditor’s Responsibilities for the Audit of the FSs section of the auditor’s report shall further:

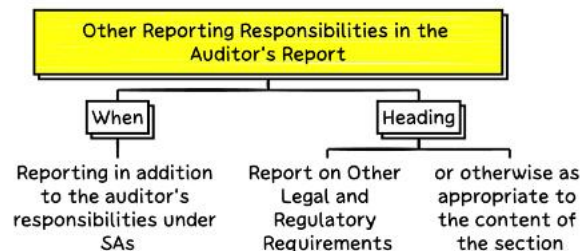
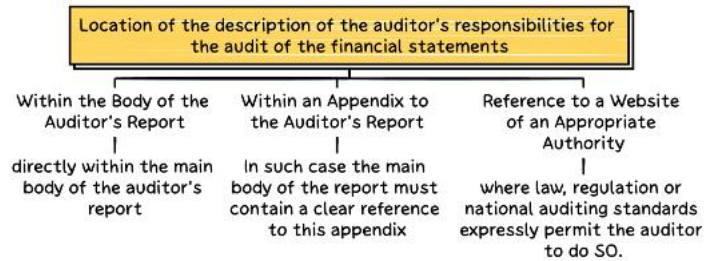
- a. State that, the auditor **exercises professional judgement** and **maintains professional skepticism** throughout the audit; and
- b. Describe an audit by stating that the auditor’s responsibilities are:
 - i. To **identify** and **assess** the **risks** of **material misstatement** of the financial statements, whether due to fraud or error; to **design** and **perform** audit **procedures** responsive to those risks; and to **obtain audit evidence** that is sufficient and appropriate to provide a basis for the auditor’s opinion.
 - ii. To obtain an **understanding** of **internal control** relevant to the audit in order to **design audit procedures** that are appropriate in the circumstances.
 - iii. To **evaluate** the **appropriateness** of **accounting policies** used and the **reasonableness** of **accounting estimates** and related **disclosures** made by management.
 - iv. To **conclude** on the
 - appropriateness of management’s use of the **going concern** basis of accounting (based on the audit evidence obtained), and
 - whether a **material uncertainty** exists related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern.

The Auditor’s Responsibilities for the Audit of the FSs section of the auditor’s report also shall:

- a. State that the auditor **communicates** with TCWG regarding, among other matters,
 - the **planned scope** and **timing** of the audit and
 - significant **audit findings**,
 - including any **significant deficiencies** in **internal control** that the auditor identifies during the audit;
- b. For audits of FS of **listed entities**,
 - State that the auditor provides
 - TCWG
 - with a **statement** that the auditor has **complied** with relevant **ethical requirements** regarding **independence** and
 - **communicate** with them
 - all **relationships** and
 - other **matters** that may reasonably be thought to bear on the auditor’s independence,
 - and where applicable, related **safeguards**, and

(Example of statement about independence – We are independent of the entity in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.)

- c. For audits of FS of **listed entities** and any **other entities** for which key audit matters are communicated in accordance with SA 701,
 - state that, **from** the **matters** communicated with TCWG,
 - the auditor determines **those** matters that were of **most significance** in the audit of the FSs of the current period and are therefore the key audit matters.
 - The auditor describes these matters in the auditor’s report unless law or regulation precludes public disclosure.



Signature

The auditor’s report shall be **signed**. The report is signed by the **auditor** (i.e. the engagement partner) in his **personal name**. Where the **firm** is appointed as the auditor, the report is signed in the **personal name** of the auditor and in the name of the **audit firm**.

The partner/proprietor signing the audit report also needs to mention the **membership number** assigned by the Institute of Chartered Accountants of India.

They also include the **registration number** of the **firm**, wherever applicable, as allotted by ICAI, in the audit reports

Place of Signature

The auditor’s report shall name a specific location, which is ordinarily the **city where** the audit **report** is **signed**

Date

When should the auditor date the report?

Only after the auditor has obtained SAAE to form an opinion on the financial statements (FSs) including evidence that:

- a. All the statements that comprise the FS, including the related notes, have been prepared; and
- b. Those with the recognized authority have asserted that they have taken responsibility for those FSs.

Why is the date important?

- It reflects that the auditor has considered the effect of all known events and transactions up to that date.
- The auditor’s responsibility for events and transactions after the date of the auditor’s report is addressed in SA 560.

UDIN

It was noticed that financial documents/ certificates attested by third person misrepresenting themselves as CA Members were misleading the Authorities and Stakeholders.

Unique Document Identification Number.

Chartered Accountants having full-time Certificate of Practice can register on UDIN Portal and generate UDIN by registering the certificates attested/certified by them. Accordingly, an auditor is required to mention the UDIN with respect to each audit report being signed by him, along with his membership number while signing an audit report.

For XYZ & Co
Chartered Accountants
(Firm’s Registration No.)
Signature
(Name of the Member Signing the Audit Report)
(Designation)
(Membership No. XXXXX)
UDIN: 20037320AAAAAH1111

Auditor’s Report Prescribed by Law or Regulation

Sometimes, law or regulation may require the auditor to use a specific format or wording in the audit report. In such cases, the auditor can still say the audit was done as per Standards on Auditing (SAs) ONLY IF the prescribed format includes some minimum essential elements.

- a. A title.
- b. An addressee, as required by the circumstances of the engagement.
- c. An Opinion section containing an expression of opinion on the financial statements and a reference to the applicable financial reporting framework used to prepare the financial statements.
- d. An identification of the entity’s FSs that have been audited.
- e. A statement that the auditor is independent of the entity in accordance with the relevant ethical requirements relating to the audit, and has fulfilled the auditor’s other ethical responsibilities in accordance with these requirements. The statement shall refer to the Code of Ethics issued by ICAI.
- f. Where applicable, a section that addresses, and is not inconsistent with, the reporting requirements relating to going concern as per SA 570 (Revised).
- g. Where applicable, a Basis for Qualified (or Adverse) Opinion section that addresses, and is not inconsistent with, the

reporting requirements relating to going concern as per SA 570 (Revised).

- h. Where applicable, a section that includes the information required by SA 701, or additional information about the audit that is prescribed by law or regulation and that addresses, and is not inconsistent with, the reporting requirements in that SA.
- i. A description of management’s responsibilities for the preparation of the FSs and an identification of those responsible for the oversight of the financial reporting process that addresses, and is not inconsistent with, the requirements as contained in this SA 700.
- j. A reference to Standards on Auditing and the law or regulation, and a description of the auditor’s responsibilities for an audit of the FSs that addresses, and is not inconsistent with, the requirements as contained in this SA 700.
- k. The auditor’s signature.
- l. The Place of signature.
- m. The date of the auditor’s report.

This ensures that even if the law forces a specific format, the auditor must not compromise on core SA principles. These elements protect the quality and credibility of the audit report.