

## Example of Report to BfdW and its Partner Organisation under ISA 800 (Revised)

### INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF ABC PROJECT AND TO BREAD FOR THE WORLD. ("BfdW")

#### Opinion

We have audited the financial statements of ABC Project, which comprise the income/receipts statement and the expenditure/payments statement for the six-month period ended 31 December 20X6 and the balance of project funds and cash status statement as at that date. The statements have been prepared by the management of ABC Project based on the financial reporting provisions of the Agreement of Cooperation dated 1 January, 20X5 between the Project and BfdW ("the agreement").

In our opinion,

1. ABC Project has adhered, in all material respects, to the terms of the Agreement of Cooperation with BfdW;
2. the project funds have been used, in all material respects, exclusively for the purposes of the project in accordance with the Agreement of Cooperation and the budget; and
3. the financial statements of ABC Project for the six-month period ended 31 December, 20X6 show a true and fair view of its income and expenditure for the period and of its funds and cash status at that date.

#### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of the financial statements in [jurisdiction], and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to the fact that the financial statements have been prepared on the receipts and payments basis of accounting and in accordance with other reporting requirements of BfdW. The financial statements are prepared to assist ABC Project to comply with the financial reporting provisions of the agreement referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for ABC Project and BfdW and should not be distributed to or used by parties other than ABC Project or BfdW. Our opinion is not modified in respect of this matter.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of the agreement, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the

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going concern basis of accounting unless management either intends to cease the project or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it does not guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Key Audit Matters<sup>1</sup>

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

[Description of each key audit matter in accordance with ISA 701.]

### Other Matter [If appropriate]

ABC Project has prepared a separate set of financial statements for the year ended 31 December, 20X5 in accordance with International Financial Reporting Standards on which we issued a separate auditor's report to the Board of ABC Project dated 31 March, 20X6.

[Auditor's signature]

[Date of the auditor's report]

[Auditor's address]

<sup>1</sup> These are important matters that do not result in a modification of the audit report. Matters that modify the opinion should be dealt with in accordance with ISA 705 (Revised).