

the standard unmodified opinion audit report

The scope paragraph includes a statement that the auditor considers internal controls when designing the audit procedures performed.

Auditing standards require that the audit report must be titled include the word "independent."

To emphasize the fact that the auditor is independent, a typical addressee of the audit report could be  
Company Controller      Shareholders      Board of Directors

The auditor's responsibility section of the standard unmodified opinion audit report states that the audit is designed to obtain reasonable assurance whether the statements are free of material misstatement.

The standard audit report for nonpublic entities refers to GAAS and GAAP in which sections?

GAAS: Auditor's responsibility

GAAP: Management's responsibility and Opinion paragraph

stated in the standard unmodified opinion audit report

The financial statements are the responsibility of management.

The auditors believe that the audit evidence provides a reasonable basis for their opinion

An audit includes assessing the accounting estimates used

The standard unmodified opinion audit report for a nonpublic entity must be dated

The introductory paragraph of the standard unmodified opinion audit report for a nonpublic company performs

- I. It states the CPA has performed an audit.
- II. It lists the financial statements being audited.

The auditor's responsibility section of the standard unmodified opinion audit report states that the auditor is responsible for the opinion on the financial statements.

If the balance sheet of a private company is dated December 31, 2016, the audit report is dated February 8, 2017, and both are released on February 15, 2017, this indicates that the auditor has searched for subsequent events that occurred up to February 8, 2017

Most auditors believe that financial statements are "presented fairly" when the statements are in accordance with GAAP, and that it is also necessary to examine the substance of transactions and balances for possible misinformation.

the standard unmodified opinion audit report to private company

report title: "report of independent auditor"

report address: stockholders, board of directors

introductory paragraph: distinguish from compilation or review, list financial statements, date of

b/s, period for i/s and c/f.

management responsibility: statements are resp. of manag.

Select right principle.

Internal control sufficient for prep. Fs. Free from misstate.

Auditor's resp.

1. Express an opinion of fs
2. in accord. to gaap in usa
3. reasonable assurance of fs free from material misstatements.

2<sup>nd</sup> paragraph is scope p. It describes the scope of the audit and the evidence accumulated. It indicates the procedures depend on the auditor's judgement. It includes an assessment of the risk of material misstatements in the financial statements. It indicates the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in designing the audit procedures performed, but this assessment of internal control is not for the purpose and is not sufficient to express an opinion on the effectiveness of the entity's internal control. The last sentence of the paragraph indicates that the audit includes evaluating the accounting policies selected, the reasonableness of accounting estimates, and the overall financial statement presentation.

The selection of the accounting policies, the reasonableness of accounting estimates, and the overall presentation of financial statement.

The third paragraph indicates the auditor believes that sufficient appropriate evidence has been obtained to support the auditor's opinion.

Opinion paragraph. This p. states the auditor's conclusion based on the results of the audit. It states that in the auditor's opinion the financial statements present fairly, in all material respects, the financial position of the company as of a certain date, and the results of their operations and cash flows for the years then ended, in accordance with accounting principles generally accepted in the usa.

Signature and address of CPA firm. Typically, the name of the CPA firm, and not the name of an individual auditor, is used.

Audit report date. The audit report is normally dated as of the last day of fieldwork.