



<u>TECHNICAL CIRCULAR:</u>	7/2022 [TC 7_2022]
To:	ALL MEMBERS OF THE INSTITUTE
From:	Auditing Standards Committee
Date:	7 November 2022
Subject:	Review Engagements - Illustrative engagement letters, auditor's review reports and management representation letters for: <ul style="list-style-type: none">• Company• Partnership• Individual Businessman/Business

This Technical Circular releases illustrative [engagement letters](#), [auditor's review reports](#) and [management representation letters](#) in relation to review engagements, prepared by the Auditing Standards Committee, for the following:

- Company
- Partnership
- Individual Businessman/Business

The illustrations compliment the [Technical Circular 5/2022 Guide to Review Engagements](#) and should be read in conjunction with that circular.

It is highlighted that these templates should only be used when the company, partnership or self-employed person fall within the specified criteria mentioned in the respective laws. The statutory auditor or statutory audit firm should not only assess in the beginning of the review engagement that their client is eligible to choose a financial statements

review but also during the course of their work and before the issuance of their report. If at any time it is determined that the client is not eligible for a review engagement, e.g., due to adjustments identified, then the statutory auditor or the statutory audit firm should not proceed with the issuance of a review report but should carry out a statutory audit instead. In case the client does not accept a change from a review to a statutory audit, then the statutory auditor or statutory audit firm should withdraw from the engagement.

The illustrations included in this Technical Circular are based on the requirements of the International Standard on Review Engagements (ISRE) 2400 (Revised) *Engagement to review historical financial statements* and the requirements of the Companies Law, Cap. 113.

Members are reminded that the illustrations need to be tailored to the specifics of each engagement.

Engagement Letters

The illustrative engagement letters included in this Technical Circular include the key paragraphs that a review engagement letter should include, in accordance with the requirements of ISRE 2400 (Revised). The illustrations also include additional paragraphs that could be used to the extent that they are applicable. The latter are presented inside borders and slightly shaded for easier identification purposes.

It is noted that the illustrations exclusively address review engagements and do not cover any other work that may be undertaken, e.g., tax services, for which separate engagement letters should be prepared.

Please follow the below links to access the illustrative engagement letters:

- [here](#) for Company
- [here](#) for Partnership

- [here](#) for Individual Businessman/Business

Each illustrative engagement letter should be used with the [Review Terms of Business](#).

Auditor's review reports

The illustrative auditor's review reports provide an unmodified review conclusion in accordance with the requirements of ISRE 2400 (Revised).

Please follow the below links to access auditor's review reports:

- [here](#) for Company
- [here](#) for Partnership
- [here](#) for Individual Businessman/Business

As it concerns the companies, the following illustrations have also been prepared where it is needed to issue a modified conclusion,¹:

- Illustration 2 contains a qualified conclusion due to material misstatement of the financial statements;
- Illustration 3 contains a qualified conclusion due to inability to obtain sufficient appropriate evidence;
- Illustration 4 contains an adverse conclusion due to material misstatement of the financial statements; and
- Illustration 5 contains a disclaimer of conclusion due to inability to obtain sufficient appropriate evidence about multiple elements of the financial statements—resulting in inability to complete the review.

Management Representation Letters

The management representation letters have been prepared in accordance with the requirements of ISRE 2400 (Revised).

¹ Where it is needed to issue a modified conclusion for partnerships and self-employed persons, the auditor should proceed with appropriate adjustments relevant to their circumstances.

Please follow the below links to access the management representation letters:

- [here](#) for Company
- [here](#) for Partnership
- [here](#) for Individual Businessman

Important note:

As these illustrations may need to be amended or updated from time to time, they have been uploaded on the Institute's website in the section '[Specialized Technical Material / Guides](#)' in category '[Various](#)' to facilitate easy access to them at all times.

Please ensure that the latest version of the illustrations is used, as it would be found on the website.