



MALAYSIAN INSTITUTE
OF ACCOUNTANTS

AAIG 2
July 2018

Audit and Assurance Illustrative Guide 2

**Practitioners' Report for an Engagement to
Compile Financial Statements Using
General Purpose Financial Reporting Framework**

AUDIT AND ASSURANCE ILLUSTRATIVE GUIDE 2

Practitioners' Report for an Engagement to Compile Financial Statements Using General Purpose Financial Reporting Framework

Foreword

The Malaysian Institute of Accountants has approved this Audit and Assurance Illustrative Guide (AAIG) for issuance to members for guidance.

This AAIG shall be read in conjunction with the Preface to Malaysian Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements.

This AAIG contains an illustration of a practitioners' report for an engagement to compile financial statements using general purpose financial reporting framework where the practitioner is engaged to assist companies in the preparation and presentation of financial statements in accordance with Malaysian Approved Standards on Related Services applicable to compilation engagements, ISRS 4410 (Revised), *Compilation Engagements*.

The Malaysian Financial Reporting Standards (MFRS) framework and the Malaysian Private Entities Reporting Standard (MPERS) are general purpose financial reporting frameworks.

Illustration of a practitioners' report for an engagement to compile financial statements using general purpose financial reporting framework

For purposes of this illustration, the following circumstances are assumed:

- The financial statements are compiled using a general purpose financial reporting framework.
- The use of the practitioners' report is restricted to the Directors of the Company.

PRACTITIONERS' COMPILATION REPORT

To the Directors of XYZ Sdn. Bhd.

We have compiled the accompanying financial statements of XYZ Sdn. Bhd. based on information you have provided. These financial statements comprise the statement of financial position of XYZ Sdn. Bhd. as at 31 December 20XX, and the [statement of profit or loss and other comprehensive income, statement of changes in equity]¹/[[statement of comprehensive income, statement of changes in equity]/[statement of income and retained earnings]²]³ and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with Malaysian Approved Standards on Related Services applicable to compilation engagements, ISRS 4410 (Revised), *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with [Malaysian Financial Reporting Standards and International Financial Reporting Standards⁴/Malaysian Private Entities Reporting Standard]. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with [Malaysian Financial Reporting Standards and International Financial Reporting Standards⁴/Malaysian Private Entities Reporting Standard].

This report is made solely for the information of the Directors of XYZ Sdn. Bhd. and for no other purpose. We do not assume responsibility to any other person for the content of this report.

¹ Applicable when the financial reporting framework is Malaysian Financial Reporting Standards.

² Applicable when the only changes to equity during the periods for which financial statements are presented arise from profit or loss, payment of dividends, corrections of prior period errors and changes in accounting policy (Ref: Para. 3.18 of MPERS).

³ Applicable when the financial reporting framework is Malaysian Private Entities Reporting Standard.

⁴ Financial Statements that have been prepared in accordance with Malaysian Financial Reporting Standards shall also make an explicit and unreserved statement of compliance with International Financial Reporting Standards (Ref: Para. MY16.1 of MFRS 101 *Presentation of Financial Statements*).

[Practitioners' signature]⁵

[Date of practitioners' report]

[Practitioners' address]

⁵ Signature in the name of the firm.



MALAYSIAN INSTITUTE
OF ACCOUNTANTS

Dewan Akauntan, Unit 33-01, Level 33, Tower A, The Vertical, Avenue 3
Bangsar South City, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
[phone] +603 2722 9000 [fax] +603 2722 9100
[web] www.mia.org.my [email] technical@mia.org.my