**NOTES 3**

**AUDIT REPORTS**

**AUDITOR’S OPINIONS**

The form of auditor reports are depend on the auditor’s opinion, which are consist of for types of opinions as follows:

1. **An Unqualified opinion**, is used when auditor concludes that the financial statements, in all material respects, are presented fairly in conformity with the framework of financial statements.
2. **A qualified opinion**, is used when auditor concludes that parts of the financial statements are exepted from the auditor opinion, whether due to the departure form the framework of financial statements or due the lack of supporting evidences (scope limitation), however, the financial statement still can be used as a basis of planning and decision making.
3. **An adverse opinion,** is used only when the auditor believes that the overall financial statements are so materially misstated or misleading, and therefore can not be used as a basis of planning and decision making.
4. **A diclaimer of opinion,** is used only when the auditor has been unable to satisfy himself or herself that the overall financial statements are fairly presented, due to the scope limitation.

**AUDITOR’S REPORT**

1. **Standard report**, is used when auditor opinion is an unqualified opinion.
2. **Departure from standard report,** is used when the auditor opinion is other than unqualified opinion, they can be qualified opinion, adverse opinion, or disclimer of opinion.

**EXAMPEL OF AUDITOR’S REPORT**

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