

Australian Space Research Program

Annual Audit Requirements



Australian Government
Department of Innovation
Industry, Science and Research

The purpose of this document is to set out the Commonwealth's requirements regarding the annual independent audit of an Australian Space Research Program (ASRP) project's expenditure and consortium member contributions. The Space Policy Unit uses the Audit Report to verify the appropriate use of ASRP funds and consortium contributions.

Clause 12.6 of the ASRP Funding Agreement sets out Recipient annual reporting requirements, including the due date of the report. The Annual Report must include a:

- Report on the Project
- Financial Report
- Report on Contributions and
- Audit.

The independent audit provides the Commonwealth with a Qualified Accountant's (the auditor's) opinion on the Financial report and the Report on Contributions (the Audit Report).

A Qualified Accountant is defined as:

- 1) a person registered as a company auditor or a public accountant under a law in force in a State or Territory; or
- 2) a member of the Institute of Chartered Accountants in Australia or a CPA member of the Australian Society of Certified Practising Accountants or a Professional National Accountant Member of the National Institute of Accountants;
- 3) who is independent of the Consortium and the management of the Project and free of any business or other relationship that could materially interfere with the exercise of their judgement.

The Audit Report should reflect the auditor's opinion that the funds and the contributions have been expended solely for the ASRP Project, and in accordance with Schedule 5 of the Funding Agreement.

The audit must be conducted in accordance with Australian accounting concepts and applicable Australian standards as outlined in part one of the Funding Agreement.

The Audit Report must follow the required format (see **Attachment A**) and be submitted on the auditor's letterhead. A mandatory attachment to the Audit report is a copy of the Recipient's Financial Report and Report on Contributions used when preparing the Audit Report. The auditor who signs the certification must also initial and date these documents. The Department will not accept as complete an Audit Report that lacks these attachments.

If the auditor forms an opinion that the Financial Report and the Report on Contributions do not give a true and fair view of the eligible expenditure for the period, the Audit Report should be qualified and the error quantified in the qualification section of the report. Departmental staff will follow up any qualifications with the Recipient or auditor.

Space Policy Unit staff are available to answer questions about Recipient reporting obligations by phone on (02) 6276 1166 or by email at space@innovation.gov.au.

[Auditor letterhead]**Audit Report on [Recipient Name] annual Financial Report and Report on Contributions to the Department of Innovation, Industry, Science and Research (the Department) [Financial year]****Scope**

We have audited the attached Financial Report and Report on Contributions, of [Recipient Name] for the [period]. [Recipient Name] is responsible for the Financial Report and Report on Contributions and have determined that the accounting policies used and described are appropriate to meet the requirements of the ASRP funding agreement no. [insert funding agreement number] and are appropriate to meet the needs of the Department. We have conducted an independent audit of the Financial Report and Report on Contributions in order to express an opinion on it to the Department. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the Department.

The annual financial report has been prepared for distribution to the Department for the purpose of fulfilling the Recipient's financial reporting requirements under the ASRP funding agreement no. [insert funding agreement number]. We disclaim any assumption of responsibility for any reliance on this report or on the reports to which it relates to any person other than the Department, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects to present a view which is consistent with our understanding of [Recipient Name]'s incurrence of eligible expenditure on the [name of the project].

The audit opinion expressed in this report has been formed on the above basis.

Qualification

[If required – must quantify error if one exists]

Audit Opinion

In our opinion, the Financial Report and Report on Contributions of [Recipient Name] are in accordance with ASRP funding agreement no. [insert funding agreement number], including:

- 1) giving a true and fair view of [Recipient Name]'s incurrence of eligible expenditure in accordance with accounting policies
- 2) giving a true and fair view of [Recipient Name]'s receipt of Contributions
- 3) complying with Accounting Standards in Australia.

Auditor signature:

Name:

Qualifications:

Position:

Date:

Attachment 1 – Financial Report [initialled and dated by the auditor]

Attachment 2 – Report on Contributions [initialled and dated by the auditor]