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| HERDC Representation Letter |
| Application |
| Type of audit and assurance work | Type of entities |
| * These instructions apply to audits of Higher Education Research Data Collection Research and Experimental Development (R&D) Income Return (the Return).
 | * universities.
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| InstructionsEngagement Controllers (ECs) should:* liaise with university’s management to ensure the Representation Letter includes representations appropriate to the reporting and other requirements, and circumstances unique to the Return
* ensure the university include **all** representations mandatory under Australian Auditing Standards or considered essential by the Audit Office
* instruct the university to present the letter on its stationery
* review the university’s draft Representation Letter before it is signed by the person authorised to sign the Return
* obtain the signed Representation Letter(s) from management and those charged with governance (TCWG) (if applicable) before signing the Independent Auditor’s Report (IAR).
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| Additional instructions for Audit Service Providers (ASPs)ASPs should:* review the university’s draft Representation Letter and provide the draft Representation Letter to the EC immediately after it is received from the university, before it signed by the person authorised to sign the Return
* obtain the signed Representation Letter from management before advising the EC to sign the IAR
* provide the signed Representation Letter to the EC immediately after it is received from the university and promptly advise the EC to sign the IAR.
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| ObjectiveThis template helps audit teams comply with [ASA 580](https://auasb.gov.au/standards-guidance/auasb-standards/auditing-standards/) ‘Written Representations’ and other Australian Auditing Standards.DocumentationRepresentation Letters must be signed as near as practicable to, but not after, the date of the IAR and must cover the period(s) referred to in the IAR. File a PDF of the signed Representation Letter(s) in the audit file.Written representations as audit evidenceWritten representations from management and TCWG are necessary audit evidence, but do not, on their own, provide sufficient appropriate audit evidence about any matters they deal with.If we doubt the competence, integrity or diligence of management / TCWG, or if management’s / TCWG’s representations are contradicted by other audit evidence, we must investigate the circumstances, determine the effect on the reliability of other representations from management / TCWG and consider the possible effect on the opinion. |
| Additional instructions for ASPsIf the ASP doubts the competence, integrity or diligence of management / TCWG, or if management’s / TCWG’s representations are contradicted by other audit evidence, the ASP needs to investigate the circumstances, determine the effect on the reliability of other representations from management and together with the EC consider the possible effect on the opinion. |
| Action if written representations are not provided, omit matters or are not reliableASA 580 requires the auditor to disclaim the opinion in accordance with [ASA 705](https://auasb.gov.au/standards-guidance/auasb-standards/auditing-standards/), if:* the auditor has sufficient doubts about the integrity of management / TCWG and does not believe the written representations are reliable
* management / TCWG refuse to provide the requested Representation Letter, or the letter omits a material representation.

If management / TCWG refuses to provide one or more requested representation(s), the EC needs to:* discuss the matter(s) with management and determine whether the omission is material
* re‑evaluate the integrity of management / TCWG and evaluate the effect this may have on the reliability of other representations (oral or written) and audit evidence in general
* take appropriate action, including determining the possible effect on the opinion in the IAR in accordance with ASA 705.
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| Additional instructions for ASPsIf management / TCWG refuses to provide one or more requested representation(s), the ASP needs to:* inform the EC
* discuss the matter(s) with management and determine if the omission is material
* re‑evaluate the integrity of management / TCWG and evaluate the effect this may have on the reliability of representations (oral or written) and audit evidence in general
* take appropriate action, including determining the possible effect on the opinion in the IAR in accordance with ASA 705.
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| **Representations must be appropriate to the university:**This Representation Letter template requires tailoring. Alternate wording is provided for many representations, for instance where universities do not comply with laws and regulations, or where the university is aware of fraud. However, if the wording options provided are not appropriate, audit teams are to work with the university to ensure appropriately worded representations are made. |

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| Representations shaded in:* blue are not explicitly required under Australian Auditing Standards.
* gold have been added as a result of COVID‑19 and, where applicable, to address other events such as natural disasters. Please ensure this is tailored to fit the facts and circumstances of the university.

Specific representations should be included if relevant to your university. To remove the shading:* highlight the relevant text
* click on the arrow next to the shading icon on the ‘Home’ ribbon
* click no colour.
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(Letterhead of University)

[Name of Director / Audit Leader]
[Director / Audit Leader], Financial Audit
The Audit Office of New South Wales
GPO Box 12
SYDNEY NSW 2001

[date]

Research and Experimental Development Income Return
for the 2021 reference year

Representation Letter

[University Name]

We provide this representation letter in connection with your audit of the Research and Experimental Development (R&D) Income Return (the Return) of [name of university] (the University) for categories (1), (2), (3) and (4) for the year ended 31 December 2021, hereafter referred to as the ‘Return’.

We acknowledge our responsibility for:

* keeping proper accounts and records, and for preparing the Return
* ensuring the Return is prepared in accordance with the ‘Higher Education Research Data Collection ‑ Specifications for the Collection of 2021 Data’ (the Specifications) on the Australian Government, Australian Government’s Department of Education, Skills and Employment’s Higher Education Research Data Collection website.

We approved the Return on [date] and confirm the Return is free from material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, having made the enquiries we considered necessary to inform ourselves, the following representations made to you during your audit.

GENERAL

With respect of categories (1), (2) (3) and (4) of the Return, we believe, in all material respects, the Return presents a view that is consistent with our understanding of the University’s results of operations for the year ended 31 December 2021.

We have fulfilled our responsibilities, as set out in the Engagement Letter dated [date], for preparing the Return in accordance with the Specifications. The Return, in all material respects is prepared in accordance with these requirements.

COMPLIANCE WITH THE SPECIFICATIONS

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| Where a university chooses not to comply with a requirement of the Specifications, management must disclose the exception here and select the appropriate option below. |

We confirm we have complied with the requirements of the Specifications and that the R&D Income for the year ended 31 December 2021 is reported on the same basis as the Return for the period ended 31 December 2020.

We confirm there have been no deficiencies in financial reporting practices and we have disclosed all changes to accounting policies adopted when compiling information presented in the Return.

[OR]

We have disclosed to you all instances where we have chosen not to comply with the Specifications, a relevant accounting standard or a legal obligation and acknowledged this in the Return.

ACCOUNTING RECORDS AND TRANSACTIONS[[1]](#footnote-1)

We have given you:

* all financial records and related data, other information, explanations and help necessary to conduct the audit
* minutes of all meetings (e.g. Board, Audit Committee or other management meetings)
* all legal issues and legal opinions relevant to the Return
* information about all deficiencies in internal control of which we are aware
* information about all changes in procedures and controls arising as a result of the COVID‑19 pandemic or other crises (including natural disasters)
* additional information you requested from us for the audit
* unrestricted access to all people in the University from whom you determined it necessary to obtain audit evidence.

All transactions have been properly recorded in the accounting records. We confirm the Return is complete, valid and includes only relevant shared research income.

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| Unless the audit team has been able to access university premises and sight original documentation, the audit team must include the following representations to address an increased reliance on electronic or scanned copies of documentation. |

For financial records and related data provided electronically to the audit team, we confirm:

* the information has been obtained directly from our accounting systems, and is complete and unaltered
* scanned information is complete and unaltered from the original source document
* we have put processes and controls in place to ensure that information that has been converted in a form that can be provided remotely (such as email) is complete and accurate.

## Uncorrected accounting misstatements[[2]](#footnote-2)

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| Management and, where appropriate, those charged with governance need to provide written representations regarding uncorrected misstatements. A summary of misstatements, other than those which have been determined to be clearly trivial, need to be included below or attached to this document. |

We acknowledge the attached schedule of uncorrected misstatements has been brought to our attention and we have considered the impact on the Return. We conclude the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the Return as a whole.

[OR]

There were no monetary misstatements or disclosure deficiencies identified during the audit of the Return.

## Omission’s from previous year’s Return

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| Only include if the university has made a genuine omission of income from the previous year’s Return that is included in the current year Return. The university must satisfy the auditor that this income has not been reported in the previous year’s Return. |

We have advised you of any 2020 research income included in the current Return that was genuinely omitted from the previous year’s Return.

We confirm this income was not included in the previous year’s Return.

COMPLIANCE WITH LEGISLATION AND OTHER REQUIREMENTS[[3]](#footnote-3)

We have reviewed legislation we are required to comply with, contracts, agreements and licensing conditions to detect breaches or possible breaches which may impact the financial statements.

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| Select the appropriate option. |

We have no knowledge of any breaches or possible breaches of laws and regulations, contracts or agreements, the effects of which should be considered when preparing the Return.

[OR]

We have disclosed to you all known or suspected instances of non‑compliance with laws and regulations, contracts or agreements. We considered the effects of this non‑compliance when preparing the Return.

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| Select the appropriate option. |

There has been no communication to/from regulatory authorities concerning:

* breaches of or non‑compliance with laws, regulations, contracts or agreements
* deficiencies in financial reporting practices that could have a material effect on the Return.

[OR]

We have disclosed to you all communications to/from regulatory authorities concerning:

* breaches of or non‑compliance with laws, regulations, contracts or agreements
* deficiencies in financial reporting practices that could materially impact the Return

We considered the substance of those communications when preparing the Return.

INTERNAL CONTROLS

We have established and maintained adequate internal controls to ensure we:

* prepare a reliable Return
* maintain adequate financial records
* record all material transactions in the accounting records underlying the Return
* minimise the risk electronic signatures are inappropriately applied
* ensure security settings for remote connections and secure individual access mechanisms are in place and operating effectively
* monitor and detect unauthorised computer access to the network
* appropriately manage new programs implemented as a result of COVID‑19 or other crises (including natural disasters)
* provide oversight of staff working remotely
* minimise the risk of fraud and errors
* detect fraud and errors should they occur
* minimise the risk of significant breaches of legislation and other mandatory requirements and detect breaches if they occur.

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| Select the appropriate option. |

We have no known deficiencies in internal controls impacting the Return.

[OR]

We have disclosed to you all known deficiencies in internal controls and their potential impact on the Return.

FRAUD AND ERROR

We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.

We have disclosed to you our assessment of the risk of the Return being materially misstated because of fraud.

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| Select the appropriate option. |

We have no knowledge of any fraud or suspected fraud affecting the University involving:

* management
* employees who have significant roles in internal control
* others where the fraud could materially affect the Return.

We have no knowledge of any allegations of fraud or suspected fraud affecting the University’s Return communicated to us by employees, former employees, regulators or others.

Fraud includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets.

[OR]

We have disclosed to you our knowledge of any fraud or suspected fraud affecting the University involving:

* management
* employees who have significant roles in internal control
* others where the fraud could materially affect the Return.

We have disclosed to you our knowledge of any allegation of fraud or suspected fraud affecting the University’s Return communicated to us by employees, former employees, regulators or others.

The [title of Officer] of the University has reported any known or suspected fraud to the Independent Commission Against Corruption as required by section 11(2) of the Independent Commission Against Corruption Act 1988.

INTERNAL AUDIT

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| Where applicable, include the below |

We operate an effective internal audit function and management promptly rectifies reported shortcomings.

EVENTS AFTER THE END OF THE REPORTING PERIOD[[4]](#footnote-4)

All events occurring between the end of the reporting period and the date of this letter and for which Australian Accounting Standards require adjustment or disclosure have been adjusted in the Return.

[OR]

No events have occurred between the end of the reporting period and the date of this letter that require adjustment to, or disclosure in, the Return.

LITIGATION AND CLAIMS

We confirm all known actual or possible litigation and claims that should be considered when preparing the Return have been disclosed to you. The effects of these events have been accounted for and disclosed in accordance with the applicable financial reporting framework. [[5]](#footnote-5)

We have provided to you all information regarding material outstanding legal matters.

GOING CONCERN

We have considered the impact of COVID‑19 or other crises (including natural disasters) on the University and confirm the going concern basis [is / is not] appropriate for the Return.

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| Insert the following if events or conditions have been identified that may cast significant doubt on the university’s ability to continue as a going concern. |

We have given you our plans for future action, including the feasibility of these plans.[[6]](#footnote-6)

OTHER

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| Audit teams should include issues not addressed elsewhere that are relevant to the audit in this section. |

We understand your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the Return, and your tests of the financial records and other audit procedures were limited to those you considered necessary for that purpose.

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| Where appropriate, this Representation Letter should also be signed by those charged with governance, or a separate Representation Letter(s) may be sought (paragraphs 8 and A1 of [ASA 580](https://auasb.gov.au/standards-guidance/auasb-standards/auditing-standards/)). |

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[Name]
Vice Chancellor [or Equivalent Title]

1. This representation is mandatory under Appendix 2 of [**ASA 580**](https://auasb.gov.au/standards-guidance/auasb-standards/auditing-standards/). [↑](#footnote-ref-1)
2. This representation is mandatory under paragraph 14 of [**ASA 450**](https://auasb.gov.au/standards-guidance/auasb-standards/auditing-standards/). [↑](#footnote-ref-2)
3. This representation is mandatory under paragraph 17 of [**ASA 250**](https://auasb.gov.au/standards-guidance/auasb-standards/auditing-standards/). [↑](#footnote-ref-3)
4. This representation is mandatory under paragraph 9 of [**ASA 560**](https://auasb.gov.au/standards-guidance/auasb-standards/auditing-standards/). [↑](#footnote-ref-4)
5. This representation is mandatory under paragraph 6 of [**ASA 502**](https://auasb.gov.au/standards-guidance/auasb-standards/auditing-standards/). [↑](#footnote-ref-5)
6. **This representation is mandatory if an event or condition casts significant doubt of an entity’s ability to continue as a going concern (paragraph 16(e) of** [**ASA 570**](https://auasb.gov.au/standards-guidance/auasb-standards/auditing-standards/)**).** [↑](#footnote-ref-6)