



## **Audit Limitations**

Our responsibility as auditor is limited to the reporting period covered by our audit and does not extend to any periods of which we are not engaged as auditors.

The Audit Responsibilities are carried out on a Test Basis. It will involve judgment about the number of transactions to be examined, the areas to be tested and the nature, timing, and extent of audit procedures to be performed, sufficient for the audit. This will be based on our professional understanding of your internal controls, size of your organisation and the nature of its operations.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk called audit risk that material errors, fraud, or illegal acts, may exist and not be detected by us. In addition, an audit is not designed to detect immaterial errors, fraud, or other illegal acts or illegal acts that do not have a direct effect on the financial statements. Our engagement cannot, therefore, be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud that comes to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential.

While an effective internal control structure reduces the likelihood that errors or irregularities (including misappropriation of assets) may occur and remain undetected, it does not eliminate that possibility. A statutory audit (of this nature) is not designed to provide assurance on internal controls or to identify reportable conditions, that is, significant deficiencies or material weaknesses in the design or operation of internal control. However, during the audit, if we become aware of such reportable conditions, we will communicate them to you.

We will not be made accountable for failing to report to the authorities any illegal acts (or activities that contravene provisions of the law) that come to our notice during the course of our audit and this remains the responsibility of the management, without any liability – financial, moral or otherwise – attached to us.

Note: The audit limitations clause is a part of our standard “letter of engagement” for audit and all other engagements.