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A look at Auditors' Reports to users of Financial Statements and to Management: Examples Drawn from Societe Generale Ghana and Bank of Africa, Ghana

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Abstract: ***The purpose of the study is to examine Auditors 'Report to users of financial statement and to management with examples drawn from Societe Generale (Ghana) and Bank of Africa (Ghana) respectively. Audit Report is the result of auditing process and it is a key medium of communication, between auditor and financial statement user. The auditors are expected to audit the financial statement of companies so as to present a true and fair view of the company. The methodology for the data used for this research was gathered from both primary and secondary sources. The former was mainly brief interview and the latter through financial reports, textbooks, magazines and web. The process was mainly table in financial statement between 2013 and 2014.The literature review highlighted variables such as proper accounting records, feature of Audit Report, types of Audit Report, Qualified Audit Reports, Other variables in the literature review were audit circumstances, communication to management audit strategy and planning. The results and discussion of the findings shed light related assets; income retained earnings, cash flows, taxation, shareholder funds concluded that the study was carried out in conformity to audit standards such as audit opinion, level of assurance and audit functions. The recommendation highlights on regulation conforming consistency and continuity, efficiency of performance.***

Keywords: research focuses, auditors are expected, statement between 2013 and 2014, Audit Report, Qualified Audit Reports,

I. INTRODUCTION

The audit process involves the auditor's report to shareholders and/or other users of the audited financial statements of Societe Generale and Bank of Africa. This report is the end product in terms of audit assessment and it communicates to users of financial statements and to auditor's conclusions concerning other things. The truth and fairness of the statement show the entity's financial position and performance as well as its compliance with the financial statements regarding relevant laws. The auditor also offers a report to the entity's management, known as a management letter. This normally covers various aspects of the audit and the entity's financial affairs. However, pointed out, in specifically, any material deficiencies in the entity's internal controls that were revealed during the audit, and advices manners in which these might be remedied by auditors to the client's management as a by-product of the audit.

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It contents are by and large not showed to shareholders or other users of the entity's financial statements.

II. LITERATURE REVIEW

A True and Fair View has been subjected to varying analysis and it has been defined by statute or by a court of law. It is worth mentioning that the Auditing Practices Board has offered some guidelines that auditors working on the financial statements of institutions should follow in order for their work to be considered true and fair. If compliance with accounting standards would lead to financial statements that do not give a true and fair view of the entity ought to state of affairs and profit or loss, the directors of the reporting entity to move away from the necessary standard(s) and/or offer extra information and interpretations so that a true view is provided. In order to check whether or not a package of financial statement presents a true and fair a view, the auditor ought to offer due consideration to the information presented in the financial statements generally encompassing any extra information as well as interpretations that are offered.

III. PROPER ACCOUNTING RECORDS

The Companies Act stipulates that companies should maintain proper accounting records. The Act states that such records must be adequate to demonstrate and interpret a company's transactions. The Act further stipulates that managers/directors of companies should:

- Ensure that the entity's financial position be disclosed, with reasonable accuracy, at anytime.
- Prepare a balance sheet and profit and loss account that comply with the Companies Act.
- record the day-to-day details of entire receipts and payments of cash,
- offer details of the company's assets as well as liabilities;
- Offer details of stock held within the firm;
- Offer comprehensive reports in terms of trading goods bought and sold. The records must be in adequate detail to facilitate the goods, the buyers and the sellers to be identified.

A. Feature Of Audit Report

By definition, the end product of an audit of a business entity is a report expressing the auditor's standard unqualified report.

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The auditor's report is addressed to the persons who retained the auditors. In the case of corporations, the selection of an auditing firm is usually made by the board of directors and ratified by the stockholders.

In the literature review, it is specified that an auditor's report should include the following:

- A title showing the person or individual to whom the report is addressed.
- An introductory paragraph identifying the financial statement audited;
- Separate sections, appropriately headed, dealing with,
  -the respective responsibilities of the directors and auditors,
  -the basis of the auditors' opinion
  -the auditors' opinion on the financial statement;
- A manuscript or printed signature of the auditors
- The date of the auditors' report.

Concerning the respective responsibilities of the directors as well as the auditors, the Act states that the audit report should entail:

- A statement which indicates that the financial statements are the responsibility of the reporting company's directors;
- A reference to a description of those responsibilities if this is spelt out elsewhere within the financial statements or accompanying information; and
- A statement that the auditors' responsibility is to express an opinion on the financial statements.

In relation to the basis of the auditor's opinion, the Standard states that auditors should include in their report:

- A statement indicating whether a company complied with or departed from auditing Standards and the motives for the departure.
- A statement which the audit process involves:
  An assessment, on a test basis, evidence necessary to the amounts and disclosures in the financial statements.
  -examining the importance of estimates and judgments made by the reporting entity's directors in designing the financial statements.
- -Considering whether the accounting policies are suitable to the reporting entity's circumstances consistently applied and sufficiently disclosed.

B. Types Of Audit Report

There are fundamentally two kinds of audit report:

- Unqualified Audit Reports: This is a type of report which is prepared when the auditors are satisfied that the financial statement of a company offer a true and a fair view (where relevant), and have been prepared in accordance with relevant accounting or other requirements. This judgment involves, inter alia, whether:
- The financial statements have been prepared using appropriate accounting policies which have been consistently applied.
- The financial statements have been prepared in accordance with relevant legislation, regulations or applicable accounting standards and sufficiently interpreted within the financial statements.
- There is sufficient disclosure of entire information necessary to the appropriate understanding in terms of the financial statements.

C. Qualified Audit Reports

A qualified audit report is a qualified opinion expressed when: Auditors report to users of financial Statements and to Management.

- There is a constraint on the scope of the auditor's examination. Thus, the auditor is unable to examine entirely the evidence he or she considers relevant to form an unqualified opinion, or
- The auditor disagrees with the treatment or disclosure of an issue within the financial statements.

However, there are circumstances which depend on the following factors:

- If the auditors observe that the effect of a limitation on the scope of the audit, or the effect of a disagreement is not so important so as to avoid the expression of an opinion, or to cause the financial statements provide a true and fair view in terms of the reporting entity's state of affairs and profit or loss except for the issues stated in the audit report.
- If the auditor realises that the effect of a disagreement is so substantial that it could create the situation in which a financial report may be seriously misleading a repercussion opinion is expressed. Thus, the auditor states that, in his or her viewpoint, the financial report does not provide a true and fair view.

IV. CIRCUMSTANCES GIVING RISE TO AUDIT QUALIFICATIONS

Limitation of Audit scope.

Scope underlying problems give rise to circumstances prevailing that avoid the auditor from securing entirely of the evidence considered relevant for the aim of the audit. Cases of scope limitation involve the following:

- The inability to discharge certain audit procedures data
- Conditions related to the timing of audit work, for instance, where the auditor is newly appointed and, as a result, is not in the position to attend the previous year's stock take.
- Circumstances beyond the control of the client and auditor, for example, where accounting records are damaged in a fire outbreak or due to flooding.
- Limitations imposed by the client. For example, where the client does not allow the process to run, balances cannot be ascertained by optional procedures.

When there has been a constraint on the scope with regard to the auditor's work, the auditor should decide whether the constraints are so many that they can prevent him or her from forming an opinion on the entity's financial statements. In arriving at this decision the auditor ought to examine:

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- The quantity, nature and availability of evidence to back the specific figure or disclosure within the financial statement and
- the likelihood effect on the financial statement of the matter for which inadequate evidence is available; when the possible effect is, in the opinion of the auditors, material to the financial statements, there will be inadequate evidence to back an unqualified opinion.

A. Disagreement

When the auditor disagrees with the accounting treatment of a particular item within the financial statements or disagrees with the manner in which an item has been disclosed, and the auditors consider that the effect of the matter that he disagrees is substantial.

B. Treatment Of Inherent Uncertainties

Inherent certainties refer to uncertainties whose resolution is dependent upon uncertain future events outside the control of the reporting entity's directors at the date the financial statements are approved. Such an uncertainty is defined as a fundamental uncertainty when:

The magnitude of an inherent uncertainty's potential impact misjudged by reference to:

- The risk that the estimate included in a financial statement may be subject to change.
- The range of possible outcomes, and
- The consequences of those outcomes on the view shown in the financial statements.

  Inherent uncertainties frequently affect, to some degree, quite a broad level of items in the financial statements. They arise as a result of specific circumstances to remove the uncertainty. Examples include:
- Uncertainty as to the outcome of litigation.
- Doubts about the ability of the entity to continue as a going concern.

  Although inherent uncertainties cannot be resolved at the time the financial statements are being approved, the financial statements can reflect the directors' assumptions giving rise to the uncertainties and their potential financial effect.

When forming an opinion on a set of financial statements, auditors are required to consider, in the light of evidence available at the debate on which they express that opinion, the adequacy of the accounting treatment, and the estimates and disclosures of the inadequacy of the accounting treatment. They are also required to consider the following:

- The appropriateness of the accounting policies dealing with the uncertain matters.
- The reasonableness of the estimates included in the financial statements in respect of the inherent uncertainties; and
- The adequacy of disclosures relating to the inherent uncertainties.

When an auditor concludes that an inherent uncertainty has been properly accounted for and adequately disclosed in the financial statements, and one has no other concerns regarding the financial statements, an unqualified audit opinion is appropriate. In some circumstances, the auditor may conclude that, although an inherent uncertainty has been properly accounted for and adequately disclosed in the financial statements, the degree of uncertainty about its outcome and potential impact on the view given by the financial statements is so significant that attention should be drawn to it in the audit report. In such cases, auditors are required to include an explanatory paragraph referring to the fundamental uncertainty at the opinion section of the audit report.

V. THE AUDIT REPORT- THE AUDITOR'S CHANCE TO COMMUNICATE

When considering the standard form of audit report, it should be remembered that this report is the auditor's primary opportunity to communicate with users of the financial statements. If the auditor's opinion is to provide credibility to the financial statements, then it is important that financial statement users read and understand the audit report. An example of the short audit report used in the Ghanaian prior to the adoption of the expanded report, is presented. It can be seen from this figure that the report was characterized by its brevity. It merely stated that the accounts had been audited in accordance with auditing standards, that they gave a true and fair view of the company's state of affairs and profit (or loss) and cash flows for the year, and that they complied with company Act.

In the early 1970s, the apparent deficiencies of the short form of audit report attracted considerable attention, particularly in the United States, Canada, the United Kingdom and Australia. Studies by Lee and Tweedie (1975) in the United Kingdom and Wilton and Tabb (1998) in New Zealand, for instance, found that little more than 50% of financial statements users read audit report. Further, in the United States, the Commission of Auditors' Responsibilities; the Cohen Commission found that the standard short form audit report served to confuse rather than informed financial statements users. The commission noted, for example, that users were unaware of the limitations of the audit function and were confused about the distinction between the responsibilities of management and those of the auditor. Surveys carried out by Beck (1973) in Australia, the Macdonald Commission (cica, 1988) in Canada, and Porter (1993) in New Zealand, offer backing for the Cohen Commission's conclusions. These surveys found that a significant number of auditors (directors, senior executives, chief accountants and internal auditors of companies) and financial statement users believed that auditors were responsible for preparing audited financial statements, that auditors verified every transaction of the entity, and that a clean audit report signified that the auditor guaranteed the financial statements are accurate or of the or the reporting entity is financially secure. Looking at the situation from a different perspective, Woolf (1979) drew attention to the irony of the long and difficult audit process culminating in such a brief report. He highlighted his point by citing a study conducted in the United States by Seidler of New

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York University who observed that the 1975 annual report of Arutgur Anderson and Co, (one of the world's best six audit firms) revealed that 6.6% of the firm's aggregate revenue was received from five clients whose annual fees averaged about $5.1million each. The audit fee element in each approximated $3.4million and further analysis showed that this fee represented approximately 95 years, or 128,000 hours of work-truly prodigious expenditure of skilled auditing labour. On the assumption that the five clients were among the firm's largest, Seidleir identified and then proceeded to count the number of words in the audit report to their shareholders. He found that such lavish about scrutiny-the equivalent of work of 95% professionals laboring for an entire year had resulted on average, in an expression of findings occupying no more than 175 words, a situation which, one has to concede, has no parallel in any other share of investigative reporting.

Concerned about the apparent shortcomings of the short form of audit report, and stimulated by the Cohen Commission's (1978) observation that the audit's standard report is almost the only formal means used both to educate and inform users of financial statements concerning the audit function, the professional accountancy bodies in most parts of the English speaking world have adopted the expanded audit form report

The primary reason for the professional accountancy bodies adopting the expanded audit report was to educate financial statement users about the respective responsibilities of management and auditors for the financial statements, the level of assurance provided by auditor's opinion, and the audit process. Studies by Kelly and Mohrweis (1989). Atherly, Innes and Brown (1991), and Zachry (1991), among others, suggest that the use of the expanded report has achieved some success in meeting its objectives. However, this has been at the cost of changing the audit report into a longer and more complex document. Further questions have been raised, for instance, by Alfano (1979), about a situation in which a financial statement user can determine whether or not explaining in the audit report the respective responsibilities of management and auditors for the financial statements. To Alfano, thus merely enables financial statements users to allocate blame if something is wrong. Additionally, commentators such as Elliott and Jacobson (1987) have questioned the ability of a few sentences in the audit report to convey adequately the relevance of the audit process. Further, Epstein (1979) found that financial statement users are not interested in the details of an audit but are looking for a seal of approval. As Alfano (1979:39) has observed, the reader wants to know whether the statements are right or wrong. Certainly it seems important to ask whether statement users require details of the auditor's and management's responsibilities, and a standard description of the audit process in every audit report. Financial statement users need to be informed of these matters at least once but ways more appropriate than including it in every audit report, including the information in the audit report detracts from fulfillment of the report's primary function which is to convey the auditor's opinion of the accompanying financial statements.

Whether or not the standard audit report will undergo further revision in a few years' time remains to be seen. One possibility is that, instead of each audit report containing a standard description of the audit process, each would contain a description of any particular features or difficulties encountered during that audit and how they were resolved. Such a move way from standardized wording is more likely to be better understood.

VI. AUDITOR'S REPORT TO MANAGEMENT

A. *Management Letters*

Auditors should consider the matters which have come to their attention during the audit and whether they should be included in a report to directors or management.

It goes on to explain that the principal purpose of these letters is:

- For the design and operation of the accounting and internal control system and to make suggestions for their improvement.
- Of other contrastive advice, for example, comments on potential economies or improvements in efficiency; and
- On other matters, for example, comments on adjusted and unadjusted errors in the financial statement or on particular accounting policies and practices.

Notwithstanding the above guidance, the content of management letters differs quite broadly in practice, depending on the auditor, the client and the circumstances. Nevertheless, certain items such as weaknesses in the client's accounting and internal control systems which have come to light during the audit, are almost invariably present. In addition to noting the existence and effect of the weakness, recommendations are made on ways in which they might be overcome. A management letter is normally offered at the conclusion of both the interim and the final audit. The interim is normally confined to reporting accounting and Auditors' Reports to users of Financial Statements to Management internal control system weaknesses which have been discovered during the interim audit. It is sent to management as soon as possible prior to the audit attendance so that weaknesses can be corrected on a timely basis. The final management letter is often wider in nature and normally involves comments on the conduct and findings of the overall audit. But the key emphasis is by and large on issues relating to the company's accounting system and/or its financial affairs, where the auditors consider improvements that can be made. Management letters are private communications between the auditor and the management of the client entity. They can offer a valuable service to the clients who, amongst other things, help management improve the entity's accounting and internal control systems. With improvements in the this regard, the auditor's confidence concerning the completeness, accuracy and validity of the accounting data may go up and therefore the audit task required to constitute an opinion concerning the financial statements of that particular entity in subsequent years may be minimized.

In well-managed companies, management letters are normally regarded as relevant by-products of the audit and steps are taken to ensure that the auditor's recommendations are acted upon. When companies and other reporting entities have audit committees, these committees normally discuss the contents of the management letter with the auditors and take steps to ensure that the auditor's recommendations are implemented.

B. Audit strategy

The audit strategy sets out in general terms how the audit is to be conducted and sets the scope, timing and direction of the audit. The audit strategy then guides the development of the audit plan, which contains the detailed responses to the auditor's risk assessment. An underpinning principle of audit planning under the Clarified ISAs is that the audit plan should contain detailed responses to the specific risks identified from obtaining an understanding of the audited entity.

ISA 300 requires the auditor to consider specific matters when establishing the audit strategy, and provides a list of typical matters to be considered in its appendix. These matters are discussed below.

Identify the characteristics of the engagement that defines its scope

Some audit engagements have specific characteristics that mean the audit has a wider scope than the audit of other entities. For example, a group audit engagement or the audit of a multi-national company will both have a wider scope than an audit of a smaller owner-managed entity. Matters such as the ability to use the work of internal auditors, the need to liaise with external service organizations, and the effect of IT on audit procedures are also relevant. The scope is also affected by the applicable financial reporting framework, the nature of the audited entity's business and the operation or otherwise of business segments, the business activities conducted, and the availability of client personnel and data.

Ascertain the reporting objectives of the engagement to plan the timing of the audit and the nature of the communications required.

Reporting requirements will vary from audit to audit. For example, some entities have additional reporting requirements to comply with corporate governance regulations or industry requirements, and the auditor must understand these requirements from the start of the audit. The nature of other communications that may be necessary during the audit should be considered, such as liaison with component auditors, and communications to management and to those charged with governance.

Consider the factors that are significant in directing the audit team's efforts in the auditor's professional judgment

The strategy must consider issues regarding quality control, such as how resources are managed, directed and supervised, when team briefing and debriefing meetings are expected to be held, how engagement partner and manager reviews are expected to take place (for example, on-site or off-site), and whether to complete engagement quality control reviews.

Consider the results of preliminary engagement activities and knowledge gained on other engagements

This includes the initial assessments of materiality, risks identified from preliminary activities such as fraud risks, significant events that have occurred at the entity or in the industry in which it has operated since the last audit, and the results of previous audits that involved evaluating the operating effectiveness of internal control including the nature of identified deficiencies and actions taken to address them. The audit firm may also have performed other services for the client that may be relevant in determining the audit strategy, for example, reviews of business plans or cash flow forecasts.

Ascertain the nature, timing and extent of resources necessary to perform the engagement

One of the main objectives of developing the audit strategy is to effectively allocate resources to the audit team, for example, the use of specialists on particular areas of the audit, or building a team of highly experienced auditors for a potentially high-risk audit engagement. If the audit is time pressured due a tight deadline, then more resources will need to be allocated to ensure that all necessary audit work is completed, and can be reviewed in time to meet the deadline.

C. Audit plan

ISA 300 states that once the overall audit strategy has been established, an audit plan can be developed to address the various matters identified in the overall audit strategy, taking into account the need to achieve the audit objectives through the efficient use of the auditor's resources. The establishment of the overall audit strategy and the detailed audit plan are not necessarily discrete or sequential processes, but are closely inter-related since changes in one may result in consequential changes to the other. Therefore, it is not necessarily the case that the audit strategy is prepared and completed before the audit plan is devised. In practice it is typical for the two to be developed together.

The audit plan is a detailed programme giving instructions as to how each area of the audit will be conducted. In other words, the audit plan details the specific procedures to be carried out to implement the strategy and complete the audit. ISA 300 provides guidance on what should be included in the audit plan, stating that the audit plan should describe: assertion level engagement complies with ISAs. Typically, an audit plan will include sections dealing with business understanding, risk assessment procedures, planned audit procedures i.e. the responses to the risks identified and other mandatory audit procedures.

D. Changes to the audit strategy and audit plan

The audit strategy and audit plan are not fixed once the planning stage.

E. Audit strategy

The audit strategy sets out in general terms how the audit is to be conducted and sets the scope, timing and direction of the audit. The audit strategy then guides the development of the audit plan, which contains the detailed responses to the auditor's risk assessment.

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Some audit engagements have specific characteristics that mean the audit has a wider scope than the audit of other entities. For example, groups audit engagement or the audit of a multi-national company will both have wider scopes than an audit of a small, owner-managed entity. Matters such as the ability to use the work of internal auditors, the need to liaise with external service organizations, and the effect of IT on audit procedures are also relevant. The scope is also affected by the applicable financial reporting framework, the nature of the audited entity's business and whether it operates business segments, the business activities conducted, and the availability of client personnel and data.

Ascertain the reporting objectives of the engagement to plan the timing of the audit and the nature of the communications required.

Reporting requirements will vary from audit to audit. For example, some entities have additional reporting requirements to comply with corporate governance regulations or industry requirements, and the auditor must understand these requirements from the start of the audit. The nature of other communications that may be necessary during the audit should be considered, such as liaison with component auditors, and communications to management and to those charged with governance.

Consider the factors that are significant in directing the audit team's efforts in the auditor's professional judgment

The strategy must consider issues to do with quality control, such as how resources are managed, directed and supervised, when team briefing and debriefing meetings are expected to be held, how engagement partner and manager reviews.

VII. RESULTS AND DISCUSSIONS

The selected Ghanaian banks (Societe Generale) for the study and analysis of financial statements are:

The client company is primarily responsible for the financial statements. The management of a company has the responsibility for maintaining adequate accounting records and of preparing proper financial statement for the use of stockholders and creditors.

SOCIETE GENERALE GHANA 2014 HALF YEAR AUDITED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2014

	2014 GH¢	2013 GH¢
Assets		
Cash and Balances with Bank of Ghana	194,180,555	98,629,425
Due from other bank and financial institutions	108,225,885	145,049,537
Financial Investments	89,623,944	55,403,431
Other Assets	21,346,856	17,342,854
Loans and Advances to Customers	892,659,350	639,856,285
Assets classifies as held for sale	3,240,393	
Investment in associate		3,240,393
Unquoted Equity Investments	406,500	408,223
Current Tax Assets	1,954,305	1,964,799
National Stabilization Levy		195,653
Long Term Operating Lease Prepaid	3,707,500	3,855,800
Property, Plant and Equipment	77,675,130	75,461,416
Intangible Assets	1,473,322	509,214
Deferred Tax	1,045,908	152,593
Total Assets	**1,395,539,648**	**1,042,069,623**
Liabilities		

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Customer Deposits	1,031,477,869	809,361,586
Due to Bank & other Financial Institutions	87,983,002	8,108,566
Interest Payable and Other Liabilities	83,366,318	52,114,919
National Stabilization Levy	125,082	
Total Liabilities	1,202,952,271	869,585,071
Shareholders' Fund		
Stated Capital	62,393,558	62,393,558
Share Deals Account	2,943,755	2,943,755
Capital Surplus	23,923,921	31,752,462
General Regulatory Credit Reserve	20,142,588	10,046,928
Income Surplus Account	24,369,784	16,210,662
Statutory Reserve Fund	55,353,272	45,306,552
Other Reserves	3,460,499	3 ,830,629
Total Shareholders' Fund	**192,587,377**	172,484,552
Total Liabilities and shareholders' Fund	**1,395,539,648**	1,042,069,623

BANK OF AFRICA GHANA
BANK OF AFRICA GHANA LIMITED
AUDITED STATEMENT OF FINANCIAL POSITION

	2014	2013
Assets	Gh¢'000	GH¢ '000
Cash and balances with bank of Ghana	79,978	61,836
Deposits and balances due from banking institutions	52,759	12,464
Investments	406,466	133,850
Loans and advances to customers	338,875	357,869
Other assets	31,934	22,388
Taxation	1,183	1,561
property and equipment	10,085	10,179
Total Assets	**921,280**	**600,146**
Liabilities		
Customer deposits	488,431	394,393
Medium and short-Term borrowings	287,225	105,178
Long term borrowings	24,018	15,906
Deferred Taxation	-	785
Other liabilities	26,735	

21,139

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Total Liabilities	826,408	537,401
Capital Resources		
Stated Capital	100,961	77,461
Reserves	(6,089)	14,716
Shareholders' Funds	**19,872**	**62,745**
Total Liabilities and shareholders' Funds	**921,280**	**600,146**

An analysis from the study indicates that an independent auditor audited the accompanying balance sheet of Societe Generale and Bank of Africa as of December 2013 and 2014 respectively, and the related assets, income, retained earnings, cash flows, taxation, shareholders funds and liabilities for the year ended, 2013 and 2014. These financial statements are the responsibility of the companies' management.

The study demonstrated the responsibility of management to express an opinion on these financial statements based on our audit. Findings from the study concluded that the audit was done in conformity to auditing standards generally accepted in Ghana. These standards require that there is a plan and perform the audit to get reasonable assurance as to whether the financial statements are free of material misstatement. An audit encompasses assessing, on a test basis, evidence backing the amounts and disclosures in respect of the financial statements. An audit also entails examining the accounting principles used and significant estimates carried out by management and evaluating the general financial statement presentation.

The financial statements of the banks listed above (that is, Societe Generale and the Bank of Africa) present fairly, in all material respects, the financial position of Societe Generale and Bank of Africa between 2013 and 2014 respectively. The researcher is of the belief that the financial statements and the accompanying results of the above-listed banks and their operations and cash flows for the years in review ended in accordance with accounting principles generally accepted in Ghana.

VIII. CONCLUSION

The study has discussed the reports which reporters offer for users of audited financial statements and the reports they offer for the reporting entity's management of Societe Generale and Bank of Africa. The research has investigated the standard nature of audit report used in Ghana for private sector banks (entities) and analyzed the various categories of audit opinion which may be expressed and the circumstances in which each is appropriate. The study has also considered variations between the expanded nature of audit report currently in application and its short kind predecessor. The study noted that the expanded report was introduced to cut down misconception concerning the audit responsibility for the financial statements, the level of assurance offered by the audit report, and the audit functions. However, the report has also seen that the result has been a longer and more burdensome document that some commentators maintain is less effective than the former short kind of report in communicating the auditor's major message concerning the accompanying financial statements.

The final report laid emphasis on matters regarding management letters. is are private communications between the auditor and the auditee's management. They are designed to assist management improve its accounting and internal control systems and other aspects of the entity's financial circumstances faced during the audit. Findings and discussions were analyzed focusing on related assets, income retained earnings, cash flows, taxation, shareholder funds and liabilities from 2013 and 2014 within the financial statement of Societe Generale and Bank of Africa.

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