

An emphasis of matter paragraph is used in an audit report to draw attention to a matter affecting the financial statements.

**Which TWO of the following are correct in relation to an Emphasis of Matter Paragraph in the Auditor's Report?**

- 1 It is used when there is a significant uncertainty
- 2 It constitutes a qualified audit opinion
- 3 The audit report is referred to as an unmodified report
- 4 The matter is deemed to be fundamental to the users understanding of the financial statements

- A.** 1 and 2
- B.** 1 and 4
- C.** 1 and 3
- D.** 2 and 4