

Independent examination of charity accounts checklist (CC32a)

A recommended checklist for examiners

This checklist is not suitable for the examination of voluntary group accounts.

1. Self-assessment checklist

The questions in this checklist are designed to help the examiner to undertake their independent examination in accordance with the legal requirements and good practice recommendations set out in the Commission's guidance on Independent examination of charity accounts: Directions and guidance for examiners (CC32).

The examiner is recommended to use the checklist alongside the Directions for independent examination. Not all the checks listed will apply in the case of every independent examination and so the checklist is not a substitute to the examiner using their own judgment as to what is necessary.

The prompt 'step done' may prompt a 'yes' or 'no'. A 'no' answer does not always indicate a problem because it may simply be that the step was either not applicable or found not to be necessary to the examination undertaken in which case the words 'not applicable' or 'not necessary' might be entered in place of a working paper reference.

Some answers may be 'no' because the evidence or information that was needed could not be obtained and this will need to be considered when the examiner makes their report. It is recommended that all the steps for each Direction are completed with a working paper reference added.

It may be that the examiner completes the checklist as they go through the examination or as a completeness check at the end as they bring their examination to a conclusion and prepare their report. There is no legal requirement to use this checklist and examiners may substitute their own checklist or take an alternative approach.

If the checklist is completed it is recommended that this forms part of the formal record of their independent examination undertaken and is kept in the file of examiner's working papers.

2. Checklist

The Directions and documentation	Step done?	Working paper reference
Direction 1: Check whether the charity is eligible to have		
an independent examination		
Checked the charity audit threshold applying to the accounts to		
be reviewed Charlest an audit is not required for any other recent		
Checked an audit is not required for any other reason		
Confirmed the charity is eligible for independent examination		
Confirmed the amount of the charity's income to figure shown		
the accounts (including any branches) and confirmed that		
income and assets are below the audit threshold or, if		
applicable, obtained a copy of the letter from the Commission		
approving an audit dispensation		
If the charity has one or more subsidiaries confirmed that group		
accounts are not required by law		
If a charitable company checked that the audit exemption		
statement has been made		
If applicable, rechecked the threshold calculation during the		
examination		
If the charity's income is more than £250,000 confirmed that		
the examiner is a member of one of the listed bodies		
If applicable, informed the trustees that the charity is not		
eligible for an independent examination		
If receipts and payments accounts have been prepared,		
checked that the charity's gross income is less than £250,000		
and that it is not a company		
If receipts and payments accounts have been prepared, check		
that there is no requirement to prepare accruals accounts in		
the charity's governing document or for any other reason		
If applicable, informed the trustees that the charity is not		
eligible to prepare receipts and payments accounts		
Direction 2: Check for any conflict of interest that prevents		
the examiner from carrying out their independent		
examination		
Confirmed that there are no close personal relationships with		
the trustees that compromise independence		
Confirmed as having no the day to day involvement in the		
administration of the charity		
If providing other services to the charity then confirmed that all		
the criteria in Direction 2 necessary for independence are met		
Identified that there are no circumstances in the examiner's		
judgment that would reasonably lead to the perception that the		
examiner is not independent		

The Directions and documentation	Step done?	Working paper reference
Considered whether sufficiently skilled to carry out the		
examination and, where required, confirmed membership of a		
listed body		
If applicable, informed the trustees that you are not eligible to		
carry out the independent examination		
Direction 3: Record your independent examination		
File of working papers prepared to document the work		
undertaken (see the Direction for guidance on key working		
papers)		
Evidence of appointment on file		
If issued, letter of engagement signed by the trustees on file		
Documentation of steps required by Direction 1 are all done		
Documentation that steps required by Direction 2 are all done		
Analytical review documented		
Areas of concern identified and noted whether these were		
resolved or if unresolved and significant have included them in		
the examiner's report		
Verification and vouching procedures undertaken and any		
checks made are on file		
Copy of approved accounts on file		
Copy of trustees' annual report on file		
Copies of information relied upon as part of the examination		
are on file		
If applicable, copies of written assurances given		
Recorded the conclusions drawn as an outcome of the		
independent examination that support the examiner's report		
are on file		
Recorded any matters of material significance about which a		
report must be made direct to the Commission		
Recorded whether to exercise discretion and report on relevant		
matters direct to the Commission		
Direction 4: Plan your independent examination		
Obtained an understanding of the charity's constitution,		
objectives, organisational structure, the funds managed, its		
activities and accounting records and systems		
Planned specific examination procedures appropriate to the		
circumstances of the charity		
Reviewed whether any areas for improvement were advised to		
the trustees in the previous year's independent examiner's		
report (or audit report and management letter) and looked to		
see if any action taken		
Considered the financial risks identified and, where accruals		
accounts prepared, considered whether the trustees have		
evidence that shows that the charity is a going concern		
Noted any implications for the examiner's report and for		
separate reporting to the Commission		

The Directions and documentation	Step done?	Working paper reference
Direction 5: Check that accounting records are kept to the		
required standard		
Checked that accounting records have been kept are complete		
and considered if they have been kept to the required standard		
Asked the trustees about how they ensure the accounting		
records are complete		
If corrections made or records created during the examination,		
the trustee approval for these has been sought and obtained		
Asked the trustees if they carried out a review of the charity's		
internal financial controls in the year reported		
Noted any implications for the examiner's report and for		
separate reporting to the Commission		
Direction 6: Check that the accounts are consistent with		
the accounting records		
Compared the accounts with the underlying accounting records		
Checked some entries from the listing of transactions of		
income and expenditure to vouchers such as invoices, bank		
statements, and receipts.		
If applicable, confirmed that the trustees have taken the		
necessary steps to ensure that restricted or endowed funds are		
correctly reported in the accounts		
If additional checks were necessary, the evidence was found		
that showed the accounting record was complete, voucher		
present, and both supported the entry in the accounts		
Direction 7: If the accounts are prepared on an accruals		
basis and one or more related party transactions took		
place the examiner must check if these were properly		
disclosed in the notes to the accounts		
Checked that the disclosures required by the SORP have been		
made and are complete		
Considered whether there are any implications for the		
examiner's report and reporting to the Commission		
If receipts and payments accounts prepared and a related		
party transaction note was provided, then checked the note for		
any implications for the examiner's report		
Direction 8: Check the reasonableness of the significant		
estimates and judgments and accounting policies used in		
accounting for the types of fund held and in the		
preparation of the accounts		
Checked with the trustees that the separate funds of the charity		
have been correctly accounted for and reported correctly in the		
accounts		
Checked the reasonableness of any significant estimates or		1
judgments that have been made in preparing the accounts		

The Directions and documentation	Step done?	Working paper reference
Where accruals accounts are prepared, checked that the		
accounting policies adopted are consistent with the SORP and		
are appropriate to the activities of the charity		
Where accruals accounts are prepared, checked that the		
accounts were prepared on a going concern basis		
Noted any implications for the examiner's report and for		
separate reporting to the Commission		
Direction 9: The examiner must check whether the		
trustees have considered the financial circumstances of		
the charity at the end of the reporting period and, if the		
accounts are prepared on an accruals basis, check		
whether the trustees have made an assessment of the		
charity's position as a going concern when approving the		
accounts		
Asked the trustees whether they expect the charity to be able		
to settle outstanding invoices, bills and commitments as and		
when they fall due		
 		
Asked the trustees about the reserves policy and the adequacy		
of the level of reserves held		
Where accruals accounts are prepared, checked that the		
trustees' have made an assessment of going concern and that		
their assessment is reasonable given the information available		
Where accruals accounts are prepared, checked that the		
SORP's disclosures about going concern have been made		
Corti o discissares about going consent have been made		
Noted any implications for the examiner's report and for		
separate reporting to the Commission		
Direction 10: Check the form and content of the accounts		
Where receipts and payments accounts have been prepared,		
checked that the charity can lawfully prepare such accounts,		
that all the accounting statements are present and that the		
funds of the charity are correctly identified		
Where accruals accounts are prepared, checked that they		
comply with the SORP and applicable accounting standard		
If the charity is a company, checked that the accounts also		
comply with the applicable company law requirements		
Noted any implications for the examiner's report and for		
separate reporting to the Commission		
Direction 11: Identify items from the analytical review of		
the accounts that need to be followed up for further		
explanation or evidence		
Carried out an analytical review		

The Directions and documentation	Step done?	Working paper reference
Following the analytical review, selected material items in the		
accounts for further explanation or supporting evidence		
If the accounts could be materially misstated, additional checks		
were undertaken and the examiner is satisfied that the item(s)		
identified were satisfactorily explained and correctly included in		
the accounts		
Noted any implications for the examiner's report and for		
separate reporting to the Commission		
Direction 12: Compare the trustees' annual report with the		
accounts		
Checked that any figure for reserves quoted in the trustees'		
annual report is not materially inconsistent with the accounts		
Compared the trustees' annual report with the accounts for any		
material inconsistency		
Noted any implications for the examiner's report and for		
separate reporting to the Commission		
Direction 13: Write and sign the independent examination		
report		
Reviewed the conclusions from the independent examination		
Considered whether the examination has identified a matter of		
concern that should be reported in the examiner's report		
Checked that the examiner's report covers all of the matters required		
If relying on the work of others in undertaking the independent		
examination, the examiner is fully satisfied with their work and		
that work has been fully documented		
Signed and dated the examiner's report		
Reported matters of material significance direct to the		
Commission		
Exercised discretion and reported relevant matters direct to the		
Commission		