The voice of banking
& financial services

Audit exemptions and change of accounting framework

While there is an industry view that the limits as currently struck are beginning to relate to quite sizeable operations, the requirement of banks need not stand in the way of deregulation. There will, however, be instances where banks will recommend to companies that they have their accounts audited and there will be instances where companies themselves choose to do so in support of the track record (and credit rating) needed if they wish to raise capital in the markets.

It is important therefore that any related guidance continues to make the point that companies planning to raise external finance and companies which look as though they may cross the exemption threshold in a relatively short period of time should consider whether it is necessarily in their interest to take advantage of the statutory exemption. Guidance should also make clear that professional financial advice and independent review of financial performance and management systems is as important for smaller and mid-sized companies as it is for large companies.

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