



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		
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 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		
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		