

Do you need an Independent Examination?

England and Wales:

- No, your income <£25,000
- Yes: Charity Law income > £25,000 less than £1m
- Yes and your IE must be a member of one of the listed bodies: Income > £250,000
- No, you need an Audit: asset override - £3.26m assets and income > £250,000

Scotland:

In Scotland, where accounts are prepared on the accruals basis (no matter how small the income), the IE must be carried out by a member of a listed professional body which includes 'Full Members' of ACIE. This includes Associates, if their licence includes accruals accounts and is sufficient to cover the income of the charity, and Fellows.

An Independent Examiner should have:

- The right skills
- Be eligible
- Understand charity regulations

On appointment the Independent Examiner should:

- Engage in Anti Money launders identification checks
- Issue a Letter of engagement
- Give you a timescale which includes ample time prior to your filing date.

The Independent Examiner will review the eligibility of your charity for Independent Examination:

- Your Trust Deed / Articles
- Review your Income Levels
- Check for any Conflicts of Interest (especially their own).

The following records should be organised and made available:

1. Accounts
2. Accounting Records – cashbook /accounts program backup
3. Bank statements
4. Receipts
5. Minutes
6. Major Grant & Loan Details

7. Accounting systems/Financial controls
8. Funds
9. Trustee Report

Accounting records kept by the charity should:

- Be up to date
- Readily available
- Provide basic information from which charity's financial position can be understood

Account record must contain:

- Detail of income and payments date, nature and records of stock and fixed assets held
- Assets and liability at end of reports period • Branch Details

Additional matters to consider:

- Check accounts are consistent with accounting records
- Separate funds correctly accounted for and reported correctly (restricted v unrestricted)
- Trustees Annual Report
- Check accounts contents
- Going Concern

Final Matters (For IE or Trustees)

- Letter of Representation
- Post balance sheet events
- Report – 'unqualified' or 'qualified'
- Statutory Duty to report matters of material significance to the Charity Commission
- Inform trustees in the event necessitates serious incident reporting
- Report relevant matters to the Charity Commission

Charity Commission (www.gov.uk/government/organisations/charity-commission) Charity Commission operational guidance (ogs.charitycommission.gov.uk)

HMRC Charities (**0300 123 1073** or www.gov.uk/charities-and-tax)

Charities Act 2011 (www.legislation.gov.uk)

SORP 2015 (www.charitySORP.org)

Charterpath: Connecting accountants and non-profits (<https://www.charterpath.org/>)