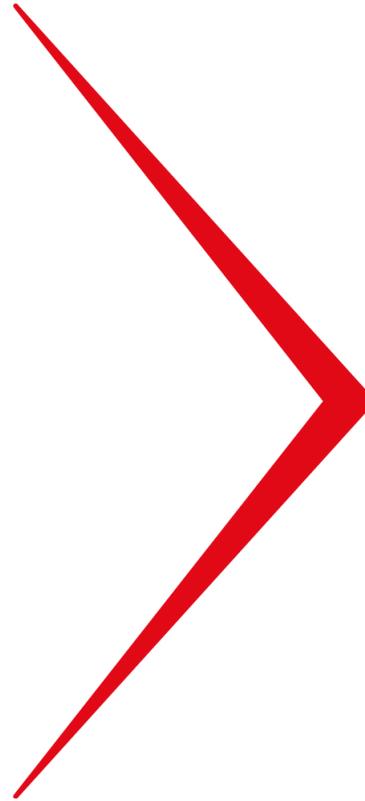




Independent Examination Reports



Eligibility

Approach to undertaking an IE

Reporting

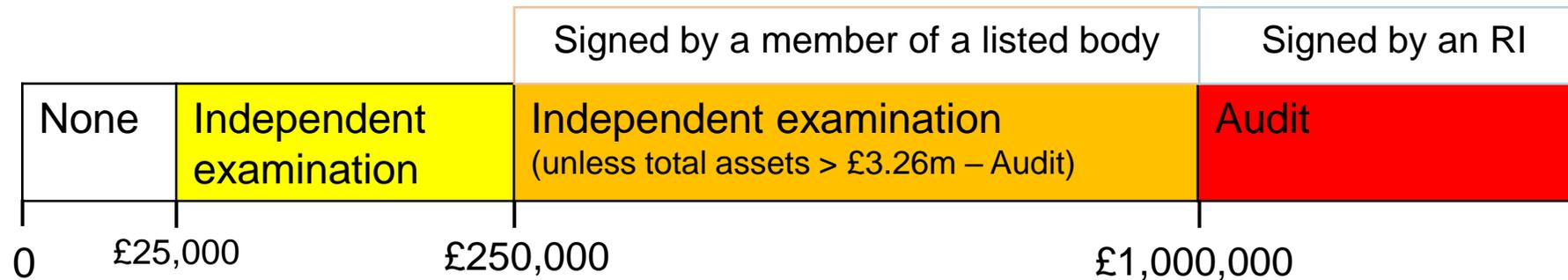
Quality Control

Further resources

Is the charity eligible?

Charities – the examination framework (England and Wales)

Level of examination is primarily based on annual income level

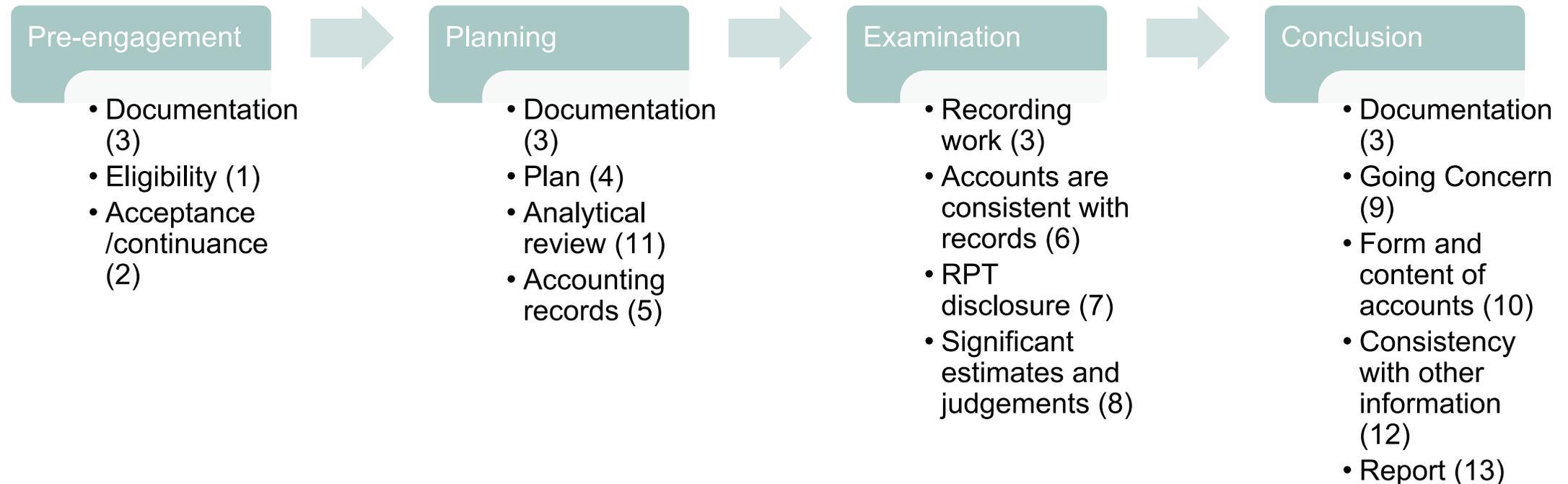


Exceptions

- Charity's constitution
- Third party stipulation
- Exempt charities
- Excepted charities

Approach to undertaking an independent examination

Charities in England and Wales



- Checklist of 13 directions released by the Charity Commission ([CC32a](#))

Are you eligible?

- Directions and guidance for examiners (CC32)
- IE must have no connection with the charity trustees which might inhibit the impartial conduct of the examination
- Close personal relationships with the trustees
 - consider staff involved in work
- Not involved in day to day administration of the charity



Are you eligible?

Conflicts of interest

Examples

Where the examiner:

- has served on a sub-committee that oversees the finances or funds raised in the year they are to review
- is dependent as a beneficiary on the charity
- is a material donor to the charity

Scenario

Charity is responsible for the up keep of a public park.

AJ has been approached to conduct an IE engagement by the charity as their spouse is a member of the charity's fete sub-committee with responsibility for co-ordinating stall holders.

AJ's only involvement with the charity prior to being approached was attendance of park events and being part of volunteer parties to maintain the upkeep of the park.

Should AJ accept appointment as an independent examiner?



Understand the charity

Review

- Charity's constitution
- Way in which the charity is controlled and managed
- Its funds and how fund balances changed during the year
- Charity's activities in the year and spending and the financial risks the charity faces



Planning the work

- Plan examination procedures reflecting your understanding of the charity
- Analytical review
- Assess whether accounting records are kept to the required standards



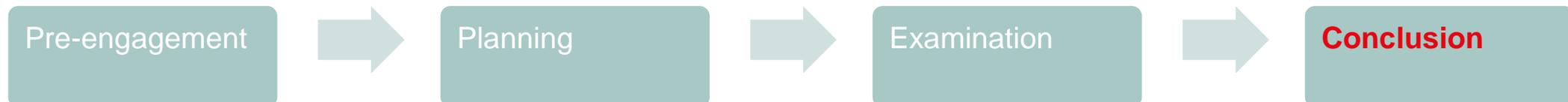
Examination

- Record your work
- Accounts are consistent with accounting records
- Related party disclosures
- Significant estimates and judgements



Completion

- Going concern
- Form and content of accounts
- Consistency with other information
- Report



Reporting – statutory duties

Matters of material significance

- Criminal behaviour
- Failure of internal controls and governance
- Risk to charity's beneficiaries
- Breaches
 - Laws and regulations
 - Regulators orders/directions
- Qualified independent examiner's report
- Conflict of interest and related party transactions



Quality control

- Procedures to check for independence
- Competence
- Standard procedures
- Second partner reviews/consultation
- Cold file reviews

Further resources

- [CCEW guidance](#)
- ICAEW guidance
 - [Acceptance considerations](#)
 - [Audit and Independent examination](#)
 - [Charities – financial reporting and scrutiny](#)
 - [Accounting for specific sectors](#)
- ICAEW Charity Finance Professionals Community



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