**Checklist for Independent Examination**

This checklist asks basic questions relevant to all independent examinations and is designed to help independent examiners plan and carry out their work. There will be other points to consider depending on the individual circumstances of the charity.

1. Is the charity eligible to have an independent examination?
   1. Is the gross income for the year and gross assets at the balance sheet date below the audit threshold?
   2. Does the governing document have a requirement for audit?
   3. Does the charity require an audit for another reason, for example, under other legislation or at the request of a funder?

2. Can receipts and payments accounts be prepared?

1. Is the gross income for the year £250,000 or more?
2. Is the charity is a company?
3. Is there a requirement for fully accrued accounts in the governing document?

If yes to any of these then fully accrued accounts are required.

3. Can I act as independent examiner?

1. Am I independent of the charity?

* I have no close personal relationships with the charity trustees or anyone involved in the administration of the charity
* I have no day to day involvement in the administration of the charity
* I am not a major donor of the charity

1. Am I suitably skilled?

* If fully accrued accounts are required, do I hold a relevant membership?
* Do I have a proper understanding of what an independent examination involves?
* Do I understand the charity’s individual circumstances?
* Do I have an understanding of financial record keeping?
* Do I have an understanding of legislation relating to charities?

4. What should I do to plan my independent examination?

1. Do I understand the charity’s governing document and organisational structure?
2. Do I understand the what the charity is set up to do (it’s purposes)?
3. Have I considered any points raised by the previous Independent Examiner?
4. Do I understand the last set of accounts?
5. Have I checked the OSCR Register entry?

5. What should my examination involve?

1. Review the minutes of meetings of charity trustees
2. Compare the accounts with the underlying accounting records
3. Test check a sample of entries in the accounting records to source documentation (e.g. payments checked to invoices or bills that the charity has received)
4. Make sure bank reconciliations and petty cash reconciliations have been undertaken including at the year-end
5. Check significant transactions after the year end in order to identify any liabilities that the charity has at the year end date
6. Check if funding is restricted or unrestricted so that it is categorised correctly
7. Check expenditure is allocated correctly to restricted funds and unrestricted funds
8. If fully accrued accounts are prepared check that these comply with the SORP and FRS 102
9. If receipts and payments accounts are prepared check that these comply with the 2006 Regulations and that suitable notes have been prepared
10. Carry out a review of final accounts, checking that the figures are as expected and compare to the previous year and seek clarification from the charity trustees as required.

6. Considering the information

1. Am I satisfied that the accounting records are complete and that the accounts agree to these.
2. Have I been given everything I need?
3. Have I discussed my report with the charity trustees?
4. Have I highlighted any areas that the charity trustees need to be aware of?

7. Completing my examination

1. Can I sign off my report on the information I have?
2. Are there any matters I need to highlight in my independent examiners report?
3. Do I need to give a qualified report?
4. Are there any mandatory matters which I must report to OSCR?
5. Are there any discretionary matters I should consider reporting to OSCR