

## **AUDIT FILE INDEX**

### **CONTROL SECTIONS**

- A [ACCOUNTS](#)
- B [AUDIT PLANNING](#)
- C [AUDIT COMPLETION](#)

### **AUDIT SECTIONS**

- D [POST BALANCE SHEET EVENTS AND GOING CONCERN](#)
- E [INTANGIBLE FIXED ASSETS](#)
- F [TANGIBLE FIXED ASSETS](#)
- G [INVESTMENTS IN GROUP AND ASSOCIATED UNDERTAKINGS](#)
- H [OTHER INVESTMENTS](#)
- I [STOCK](#)
- J [DEBTORS AND PREPAYMENTS](#)
- K [BANK BALANCES AND CASH](#)
- L [CREDITORS AND ACCRUALS](#)
- M [LONG TERM LOANS AND DEFERRED INCOME](#)
- N [PROVISIONS FOR LIABILITIES AND CHARGES, CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS](#)
- O [FUNDS, RESERVES AND STATUTORY RECORDS](#)
- P [DIRECT AND INDIRECT TAXATION AND DEFERRED TAXATION](#)
- Q [INCOME AND EXPENDITURE](#)
- R [RELATED PARTY TRANSACTIONS](#)

**A**      **ACCOUNTS**

- 1      [Final sign off](#)
- 2      Final accounts
- 3      Audit journals
- 4      Tax computations
- 5      Letter of representation
- 6      Reports to management
- 7      Disclosure checklist

Completed by:	Date:	Ref: <a href="#">A1</a>
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### FINAL SIGN OFF

			Ref	Comments	Initials
1	Are we satisfied that the trustees representations can be relied upon?	Yes/No			
2	Has a post balance sheet events review been undertaken covering the period up to the date that the audit report is being signed?	Yes/No	<a href="#">D1</a>		
3	Ensure a signed representation letter has been received back from the client.	Yes/No	<a href="#">A5</a>		
4	Do the working papers and the tax computation reflect the final adjustments?	Yes/No			
5	Have all final journals been recorded and processed to produce a closing trial balance agreeing with the accounts?	Yes/No			
6	Has the final copy of the accounts been referenced to the file to ensure all lead and support schedules reflect final adjustments?	Yes/No			
7	Does the Trustees Annual Report reflect the impact of COVID 19? Has the guidance from the Charity Commission "Implications of COVID 19 control measures and charity financial reporting" been considered?	Yes/No			
8	For medium and large sized charities implementing the reporting requirements of the Companies (Misc Reporting) Regulations 2018 has the guidance in Information Sheet 3 produced by the SORP Committee been considered to decide if additional content is necessary in the Trustees Annual Report for periods beginning on or after 1 January 2019?	Yes/No			
9	Is the firm willing and able to seek reappointment as auditor for the next period?	Yes/No	<a href="#">C11</a>		
10	For a charitable company, where the audit is performed under the Companies Act 2006, has the audit report provided to the charitable company been signed off by the Senior Statutory Auditor in their own name for and on behalf of the firm as required by the Companies Act 2006 and, if necessary, is it up to date in the light of revisions to ISA 700 (UK) and the latest FRC guidance. In addition, the term Statutory Auditor should be added after the name of the firm.	Charitable company only Yes/No			

Completed by:	Date:	Ref: <a href="#">A1</a>
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**FINAL SIGN OFF**      **continued**

			Ref	Comments	Initials
11	Is there a need for a report to the Charity Commission?	Yes/No			

I authorise the signing of the audit report.

Signed.....      Date .....

Audt Engagement Partner/Senior Statutory Auditor

Engagement Quality Control Partner (if applicable)

Signed ..... Engagement Quality Control Partner      Date  
.....

\* Delete, as appropriate

^SSA in the case of a charitable company, Audit Engagement Partner if not a company

**B**      **AUDIT PLANNING**

- 1      [Audit planning control checklist](#)
- 2      [Independence questionnaire](#)
- 3      [Client meeting minutes](#)
- 4      [Materiality](#)
- 5      [Preliminary analytical review](#)
- 6      [Assessments of risks at the assertion level](#)
- 7      [Sample size calculation](#)
- 8      [Audit strategy memorandum](#)
- 9      [Timetable](#)
- 10     [Budget](#)

Completed by:	Date:	Ref: <a href="#">B1</a>
Reviewed by:	Date:	

### **AUDIT PLANNING CONTROL CHECKLIST**

<b>Issue</b>	<b>Ref.</b>	<b>Comment</b>	<b>Initial and date</b>
1. Determine whether the financial reporting framework to be adopted in the preparation of the financial statements is acceptable or not.			
2. Ensure there is an up to date, signed letter of engagement for the assignment. Consider the adequacy of the contents particularly if any circumstances have changed.	<a href="#">PAF 16</a>		
3. If a limitation on the scope of the auditor's work has been imposed by management, consider whether the appointment can be accepted or not.			
4. Document the impact of any change in the terms of the audit after the audit has commenced. Ensure that it is in line with ISA (UK) 210.			
5. Has ongoing monitoring of the business relationship taken place throughout the audit to satisfy ourselves that all transactions carried out by the client are consistent with our knowledge of the client and their risk profile?	<a href="#">PAF 1</a>		
6. Document how the firm has considered the adequacy of the opening balances, as required by ISA (UK) 510 and the comparatives as required by ISA (UK) 710, particularly if this is the first year of audit by the firm.			
7. If the firm were not the auditors in the previous year, and the previous audit was conducted under the Companies Act 2006, has consideration been given to requesting access to the previous auditor's working papers? If these are requested, the findings of the review must be documented. If it is decided not to request access, the rationale for this decision should be carefully explained, along with a detailed description as to how the adequacy of the opening balances and the other requirements of ISA (UK) 510 will be complied with and how an understanding of the business, as required by ISA (UK) 315 will be achieved.			

Completed by:	Date:	Ref: <a href="#">B1</a>
Reviewed by:	Date:	

### **AUDIT PLANNING CONTROL CHECKLIST**

<b>Issue</b>	<b>Ref.</b>	<b>Comment</b>	<b>Initial and date</b>
8. Where any service organisations have been used, ensure that the requirements of ISA (UK) 402 have been followed.			
9. If expertise in a field other than accounting or auditing is necessary to obtain sufficient appropriate audit evidence, consider whether to use the work of an auditor's expert. Ensure that the requirements of ISA (UK) 620 are followed.			
10. Confirm that the team and experts who will be used have the competence and capability to complete the assignment.			
11. Is there a requirement to communicate any audit planning and scope matters, such as materiality, to the client, as required by ISA (UK) 701?			
12. Ensure that an audit planning letter has been sent to the client.			
13. If an engagement quality control review is required ensure that an appropriately qualified individual has been appointed to do it.			

### **Conclusion**

Prepared by \_\_\_\_\_ Date \_\_\_\_\_

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_





Completed by:	Date:	Ref: <a href="#">B2</a>
Reviewed by:	Date:	

## INDEPENDENCE QUESTIONNAIRE

	Issue	Yes, No or N/A
<b>1.</b>	<b>Undue dependence on a client</b>	
	Do the total fees (audit and non-audit) of this client/group of clients regularly exceed 15 % of gross practice income?	
	If yes, then the audit cannot be undertaken. If fees are in excess of 15% of gross practice income but this is not regular for this client, or the fees include a significant non-recurring element, then a hot file review may be an appropriate safeguard.	
	Are the total fees of this client/group of clients between 10% and 15% of gross practice income?	
	If yes, then the client needs to be told about the independence threat. In addition, independent external hot files reviews are necessary for entities which are not eligible to apply the Provisions Available for the Audit of Small Entities.	
<b>2.</b>	<b>Overdue fees</b>	
	Are there any significant overdue fees for this client?	
	Could these overdue fees when taken with the fees for the current period be regarded as a loan?	
	<b>Where 'yes' specify the value of the overdue fees:</b>	
<b>3.</b>	<b>Actual or threatened litigation</b>	
	Is there any actual or threatened litigation between the firm and the client?	
	<b>Where 'yes' give details:</b>	

Completed by:	Date:	Ref: <a href="#">B2</a>
Reviewed by:	Date:	

**INDEPENDENCE QUESTIONNAIRE** continued

	Issue	Yes, No or N/A
<b>4.</b>	<b>Associated firms – influences outside the practice</b>	
	Could any pressure be exerted on the firm by associated practices or from external sources such as bankers, solicitors or other parties?	
	<b>Where 'yes' give details:</b>	
	Is the audit undertaken on behalf of another firm of accountants?	
	<b>Where 'yes' give details and indicate why your independence is not compromised by this arrangement:</b>	
<b>5.</b>	<b>Employment, family and other personal relationships</b>	
	Have you or any of your partners or staff or any family members ever worked for the audit client?	
	<i>This issue could lead to an insurmountable threat to independence.</i>	
	<b>Where 'yes' give details:</b>	
	Has the firm entered into any agreements with the entity or any affiliates of the entity to provide partners or employees to work for a temporary period? In almost all circumstances this is prohibited by FRC Revised Ethical Standards 2019.	
	<b>Where 'yes' give details:</b>	
	Have any secondments been made by the audit firm?	
	<b>Where 'yes' give details:</b>	
	Have any "covered persons" been appointed as an officer or a director of the audited entity, including a non-executive director, a member of the audit committee or any other committee or body performing equivalent functions or to a key management position. If so, the firm is prohibited by FRC Revised Standards 2019 from acting as auditors.	
	<b>Where 'yes' give details:</b>	

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Completed by:	Date:	Ref: <a href="#">B2</a>
Reviewed by:	Date:	

**INDEPENDENCE QUESTIONNAIRE continued**

	<b>Issue</b>	<b>Yes, No or N/A</b>
	Do you or any of your partners or staff or any family members have any mutual business interests with the client or with an officer or employee of the client?	
	<b>Where 'yes' give details:</b>	
	<b>Employment, family and other personal relationships continued</b>	
	Do you or any of your partners or staff have a personal or family relationship with any of the company trustees or senior management?	
	<b>Where 'yes' give details:</b>	
	Do you or any of your staff or any family members of you or your staff have any financial investment in the company in respect of the following:	
	Any beneficial interests in shares or other investments?	
	Any beneficial interests in trusts?	
	Any trustee investments or nominee shareholdings?	
	<b>Where 'yes' give details:</b>	
	<i>You should note that yes answers to the above question may prevent the firm undertaking the audit.</i>	
<b>6.</b>	<b>Long Association Threat</b>	
	Has the Audit Engagement Partner acted for the client for more than 10 years?	
	<i>If 'yes', then suggested safeguards include hot file review, rotation of Audit Engagement Partner, second partner review or informing the client of the possible threat to objectivity and why you do not believe that the threat is significant and indicating in what circumstances you will apply safeguards e.g. if there are contentious or higher risk areas arising.</i>	
	<b>Where 'yes' give details and specify the action to be taken:</b>	

Completed by:	Date:	Ref: <a href="#">B2</a>
Reviewed by:	Date:	

**INDEPENDENCE QUESTIONNAIRE continued**

	<b>Issue</b>	<b>Yes, No or N/A</b>
	Have any audit staff acted for the client for more than 10 years?	
	<b><i>Where 'yes' give details and specify the action to be taken:</i></b>	
<b>7.</b>	<b>Voting on audit appointments</b>	
	Where a partner or staff member holds shares in any capacity in an audit client, have they voted at any general meeting of the company in relation to the appointment, removal or remuneration of the auditors?	
	<b><i>Where 'yes' give details:</i></b>	
<b>8.</b>	<b>Loans</b>	
	Have you or your staff or anyone closely connected with the practice:	
	Made a loan to or guaranteed borrowings by the client?	
	Accepted a loan from the client?	
	Had borrowings guaranteed by the client?	
	<b><i>Where 'yes' give details:</i></b>	
<b>9.</b>	<b>Hospitality</b>	
	Have you or any of your staff accepted any hospitality, gifts or services from the client which are not trivial or inconsequential?	
	<b><i>Where 'yes' give details:</i></b>	

Completed by:	Date:	Ref: <a href="#">B2</a>
Reviewed by:	Date:	

**INDEPENDENCE QUESTIONNAIRE continued**

	<b>Issue</b>	<b>Yes, No or N/A</b>
<b>10.</b>	<b>Provision of other services to clients</b>	
	Is there any reason why the client could be perceived not to have “informed management”?	
	<i>The FRC defines this as members of management who have the authority and the capability to make independent management judgements and decisions in relation to non audit services on the basis of the information provided.</i>	
	<b>Justify the above assessment:</b>	
	Does the firm undertake non-mechanical accounting work for the client (e.g. writing up books of prime entry)?	
	<b>Where ‘yes’ give details:</b>	
	Does the firm undertake mechanical accounting work for the client (e.g. Statutory accounts, posting for prime entry, adjustments)?	
	<b>Where ‘yes’ give details:</b>	
	Does the firm undertake tax planning and compliance work for the client?	
	<b>Where ‘yes’ give details:</b>	

Completed by:	Date:	Ref: <a href="#">B2</a>
Reviewed by:	Date:	

**INDEPENDENCE QUESTIONNAIRE** continued

	<b>Issue</b>	<b>Yes, No or N/A</b>
	<b>Provision of other services to clients continued</b>	
	Has the firm provided tax services to the client where they would involve acting as an advocate for the entity in the resolution of an issue that is material to the financial statements or where the outcome of a tax issue is dependent on a future judgment by the firm in relation to the financial statements.	
	<b>Where 'yes' give details:</b>	
	Has the firm been involved in the provision of any valuation services?	
	<b>Where 'yes' give details:</b>	
	Has the firm been involved in promoting any tax structures or products or giving advice to the client which may not be in accordance with well established interpretations?	
	<b>Where 'yes' give details:</b>	
	Has the firm provided Internal Audit services to the entity or a significant affiliate of the entity during the year? <i>If so, the firm is prohibited under the Revised Ethical Standards 2019 from acting as the auditor.</i>	
	<b>Where 'yes' give details:</b>	
	Has the firm provided during the year any recruitment services to the entity or a significant affiliate of the entity that would involve the firm taking responsibility for, or advising on the appointment of any director or employee? <i>If so, the firm is prohibited under the Revised Ethical Standards 2019 from acting as the auditor.</i>	
	<b>Where 'yes' give details:</b>	
	Are any other non-audit services provided to the client/group?	
	<b>Where 'yes' give details:</b>	

Completed by:	Date:	Ref: <a href="#">B2</a>
Reviewed by:	Date:	

**INDEPENDENCE QUESTIONNAIRE continued**

11.	Are the fees for any audit or non audit services on a contingent fee basis? Contingent fees are fees calculated on a predetermined basis relating to the outcome or result of a transaction. FRC Ethical Standards 2019 prohibit such a basis being used. <i>The firm should not act as auditor in these circumstances.</i>	
	<b>Where 'yes' give details:</b>	

**For each threat identified above ("yes" answers) indicate what safeguard that you have in place.**

**Indicate why you are happy that all ethical threats that exist above meet the "third party test" i.e. that an objective, reasonable and informed third party knowing all the facts and circumstances would not think that your independence was compromised. (This person would be informed about the respective roles of an auditor, those charged with governance and management of an entity and is not another practitioner).**

**Indicate how any threats and the proposed safeguards have been communicated to the client.**





Completed by:	Date:	Ref: <a href="#">B2</a>
Reviewed by:	Date:	

**INDEPENDENCE QUESTIONNAIRE** continued

<b>Conclusion:</b>	
<b>Audt Engagement Partner</b>	<b>Date</b>
<b>Second Partner Conclusion (where necessary):</b>	

Completed by:	Date:	Ref: <a href="#">B3</a>
Reviewed by:	Date:	

### CLIENT MEETING MINUTES

<b>Attendees:</b>		
<b>Date:</b>		
<b>Venue:</b>		
<b>Issues</b>	<b>Reference</b>	<b>Reviewers initials and comments</b>
<p><b><u>Business risk</u></b> Record below any issues that have changed resulting in an amendment to the permanent file documentation.</p> <p><i><b>Business objectives</b></i></p>    <p><i><b>Business strategy</b></i></p>    <p><i><b>Business risks and controls</b></i></p>		
<p><b><u>Related Parties</u></b> Record below any changes and confirm that management understands what a Related Party is.</p>    <p><i><b>Type and purpose of transactions</b></i></p>		

Completed by:	Date:	Ref: <b>B3</b>
Reviewed by:	Date:	

**CLIENT MEETING MINUTES** continued

Issues	Reference	Reviewers initials and comments
<p><b><u>Fraud and error</u></b>  <i>Controls in place to prevent and detect fraud and error.</i></p> <p><i>How does the charity discourage fraud?</i></p> <p><i>Areas where the charity feels there could be fraud and error.</i></p> <p><i>Brief details of any fraud and error encountered.</i></p> <p><i>Method of communication of fraud and error issues to employees.</i></p>		

Completed by:	Date:	Ref: <b>B3</b>
Reviewed by:	Date:	

**CLIENT MEETING MINUTES** continued

<b>Issues</b>	<b>Reference</b>	<b>Reviewers initials and comments</b>
<p><b><u>COVID-19</u></b></p> <p><b>What impact has COVID-19 had on the charity to date?</b></p>          <p><b>What impact is the COVID-19 problem likely to have in the future?</b></p>          <p><b>What risks have arisen from COVID-19?</b></p>          <p><b>Has COVID-19 had any impact on the company's system of internal control or access to the accounting records?</b></p>		

Completed by:	Date:	Ref: <a href="#">B3</a>
Reviewed by:	Date:	

**CLIENT MEETING MINUTES** continued

Issues	Reference	Reviewers initials and comments
<p><b><u>Accounting Estimates</u></b>  <b>How are estimates made?</b></p> <p><b>What are the underlying assumptions?</b></p> <p><b>Have there been any changes requiring a new estimate?</b></p>		
<p><b><u>Preliminary analytical review</u></b>  <b>Brief details of expectations</b></p>		

Completed by:	Date:	Ref: <a href="#">B3</a>
Reviewed by:	Date:	

**CLIENT MEETING MINUTES** continued

<b>Issues</b>	<b>Reference</b>	<b>Reviewers initials and comments</b>
<p><b><u>Going concern</u></b>  <b>Detail any concerns.</b></p> <p><b>Has COVID-19 created problems in this area?</b></p> <p><b>Detail briefly the steps taken by the trustees to confirm the business is a going concern.</b></p>		
<p><b><u>Reporting Deadlines</u></b></p>		
<p><b><u>Other issues</u></b></p>		



Completed by:	Date:	Ref: <b>B4</b>
Reviewed by:	Date:	

### MATERIALITY SUMMARY

	Percentage (see below) %	Expected results	Materiality level
Income			
Gross assets			
Surplus/(loss) before tax	10		
Adjustment for unusual items			
Adjusted surplus/(loss)	10		

This year £

Last year £

**OVERALL INITIAL AUDIT MATERIALITY SET AT**

**Justify why this particular level has been set**

**TRIVIAL ERROR LEVEL (AS PER ISA (UK) 450) \***

#### **Materiality Ranges:**

<b>Range of turnover / gross assets only (£)</b>	<b>Percentage to be applied</b>	<b>Materiality limits (£)</b>
0 - 750,000	3.0%	1 - 22,500
750,001 – 1,250,000	2.5%	22,501 - 31,250
1,250,001 – 2,250,000	2.0%	31,251 - 45,000
2,250,001 – 5,000,000	1.5%	45 001 - 75,000
Over 5,000,000	1.0%	Over 75,000

\* Typically, this may be set between 1% and 5% of materiality