

Independent examination planning checklist

Name of PCC:	Year end:
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1.	Is there any reason why I should not accept/continue with this appointment	YES	NO
	Consider:		
	– am I independent?	<input type="checkbox"/>	<input type="checkbox"/>
	– do I have the requisite ability and practical experience for a PCC of this complexity?	<input type="checkbox"/>	<input type="checkbox"/>
	– has my appointment been approved by the PCC and made by the APCM?	<input type="checkbox"/>	<input type="checkbox"/>
	– is the PCC aware of my responsibilities – possibly by signing and returning a letter of engagement?	<input type="checkbox"/>	<input type="checkbox"/>
2.	Do the accounts or accounting records confirm that the PCC's gross income and total expenditure is less than £250,000 in the current and two preceding years?	<input type="checkbox"/>	<input type="checkbox"/>
3.	Are there any specific requirements for an audit to be carried out, for example, in any special trusts associated with the PCC or as a condition of any grants made to the PCC, that prevent me carrying out an independent examination?	<input type="checkbox"/>	<input type="checkbox"/>

4.	For my first examination of this PCC, I have obtained background information on the PCC, how it is organised, the extent of its activities, the existence of parochial organisations and trusts and the nature of its income, expenditure, assets, liabilities and funds. For subsequent years, I have checked and updated the details from previous years.
	These are set out on a separate sheet.

5.	I have described in brief on a separate sheet the accounting records maintained by the PCC, which I have examined, and the key financial controls operated.
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Name of independent examiner:	Date:
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Independent examination work programme

If any of the answers to questions 1-8 and 10-18 is 'no', or if the answer to question 9 is 'yes', full details of problems encountered and how they have been resolved should be included on a separate sheet.

		Completed satisfactorily	
		YES	NO
Financial Statements			
1.	Agree figures in the financial statements to the PCC's main accounting records (e.g. cash book)	<input type="checkbox"/>	<input type="checkbox"/>
2.	Cross reference and attach to this programme a referenced set of financial statements and any supporting analysis necessary to show the link between the accounting records and the financial statements.	<input type="checkbox"/>	<input type="checkbox"/>
3.	Read the PCC annual report and ensure it is consistent with both the accounts and any other information gained during the course of the examination.	<input type="checkbox"/>	<input type="checkbox"/>

		Completed satisfactorily	
		YES	NO
4.	Consider if the PCC has adequately disclosed the transactions or interests that PCC members may have with it.	<input type="checkbox"/>	<input type="checkbox"/>
Accounting Records			
5.	Select a sample of entries from the main accounting records and trace them back to any supporting prime books that exist (e.g. cash book, petty cash book, planned giving register).	<input type="checkbox"/>	<input type="checkbox"/>
6.	Select a sample of entries from any of these prime books and trace them to the main accounting records.	<input type="checkbox"/>	<input type="checkbox"/>
The items selected under 5 and 6 above should be recorded on a supporting working paper and the prime record to which they were checked or form from which they were selected should be noted. These tests mirror each other but it is important that different items are selected for each test.			
7.	Test check the arithmetical accuracy of some of the accounting books are records.	<input type="checkbox"/>	<input type="checkbox"/>
State on a separate sheet which records were checked and the sections covered by the checks.			
Review of accounts			
8.	Consider the PCC's incoming resources, resources expended, assets and liabilities as shown in the accounts in the light of general knowledge obtained about the PCC and its activities as well as budgets for the year and corresponding figures for the previous year. Where there are unexpected fluctuations or inconsistencies, obtain explanations from the PCC.	<input type="checkbox"/>	<input type="checkbox"/>
9.	Have any issues been identified which, whilst falling outside the scope of an independent examination, suggest that the financial statements are materially mis-stated?	<input type="checkbox"/>	<input type="checkbox"/>
If 'Yes' include details on a separate sheet and state how they have been resolved.			
10.	Review minutes of PCC and other relevant committee meetings:	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> - Identify major events, plans or discussions and changes in PCC officers and members and ensure they have been properly reflected in the accounting records, reports and accounts; - Determine if the PCC has financed activities outside its objects and powers as outlined in the Guidance. 			
11.	Examine the year-end bank reconciliation (and, for more complex PCCs, any other control records) to ensure they do not included any unexpected or unusual items.	<input type="checkbox"/>	<input type="checkbox"/>
Transaction testing			
12.	Select a sample of receipts and payments from the main accounting records and cross check the details to supporting invoices, vouchers or other similar documentation to ensure that the transactions are valid under the powers of the PCC.	<input type="checkbox"/>	<input type="checkbox"/>
Note which transactions were examined on a separate sheet.			
Reporting			
13.	Prepare a report to the PCC which is in accordance with CAR Regulation 25. An example is provided within the Guidance.	<input type="checkbox"/>	<input type="checkbox"/>

		Completed satisfactorily	
		YES	NO
14.	Matters identified during the course of the work which suggest legal, accounting or other similar problems, should be carefully considered. If they represent significant instances of deliberate or reckless misconduct in the administration of the PCC, then a written report should be made to the Charity Commission and a copy provided to the archdeacon.	<input type="checkbox"/>	<input type="checkbox"/>
Additional work for accounts prepared on the accruals basis			
15.	Review the accounting policies adopted by the PCC and ensure they are either the model policies provided in Chapters 7 or 8 or are consistent with the general Guidance.	<input type="checkbox"/>	<input type="checkbox"/>
16.	Enquire if there have been any events since the year end which should be disclosed in the accounts or which indicate that amounts included in the accounts should be amended.	<input type="checkbox"/>	<input type="checkbox"/>
17.	Ensure any material contingencies or commitments identified have been properly shown in the accounts.	<input type="checkbox"/>	<input type="checkbox"/>
18.	Ensure the accounts comply with the accounting and disclosure requirements of the Church Accounting Regulations 1997 to 2001 and Guidance provided in Chapter 8.	<input type="checkbox"/>	<input type="checkbox"/>

Note: *This work programme should be suitable for most PCCs. However, where the activities of the PCC are more complex and more judgemental issues are involved, the independent examiner should refer to guidance included in Chapter 10 of the Church's Guidance to determine if additional or alternative procedures should be undertaken. These sheets may be copied.*

Audit/Independent examination comparison

Procedure / principle	Audit	Independent Examination
Opinion required as to whether accounts show a true and fair view.	Yes	No
Level of assurance given.	High, positive	Moderate, negative
Check accounting records to establish entitlement to independent examination instead of audit.	n/a	Yes
Obtain understanding of the PCC's organisation, accounting system, activities and nature of its assets, liabilities, incoming resources and application of resources in order to plan appropriate procedures.	Yes	Yes
Record the procedures carried out and document matters that are important to support conclusions reached or statements provided in the report.	Yes	Yes
Consideration of accounting records.	(Companies Act): carry our procedures to enable formation of <i>opinion</i> as to whether the accounting records have been maintained in accordance with s.221	Review with a view to identifying <i>major</i> failure to maintain accounting records in accordance with s.47 Charities Act 1993 (as amended by Charities Act 2006).
Analytical review.	Yes	Yes
Substantive testing, e.g. vouching source documents, physical inspection of fixed assets, obtaining bank confirmation of balances, inspection of investment certificates etc.	Yes	No – unless the analytical review shows unusual items for which the PCC cannot give satisfactory explanations.
Review financial statements for conformity with applicable rules on form and content.	Yes	Yes
Considering conformity with fundamental accounting concepts, e.g. going concern. Consider any significant estimate of judgement made in preparing the accounts.	Yes	Yes – in case of accruals-based accounts, policies adopted by PCC should conform to fundamental accounting concepts and be appropriate to the activities of the PCC.
Post-Balance sheet events.	Obtain sufficient appropriate evidence	Enquiry of PCC (accruals-based accounts)
Identify and report on major inconsistencies between any financial references in the annual report and financial statements.	Yes	Yes
Obtain all information and explanations needed to carry out the scrutiny – report any failure.	Yes	Yes