

# The Compliant Audit

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# The compliant audit

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- Big 4 quality without the Big 4 fees
- More than just a legal requirement.
- Key benefits of the audit
  - Identification of material errors or omissions
  - Increased reliability of your financial information
  - Improved quality of financial information being released to the public domain
  - Review of the adequacy of your internal control systems
  - Useful tool in corporate governance
  - Identification of legal issues which may potentially impact on the organisation.
- A well scoped audit covering the key areas of your business affecting your financial performance.

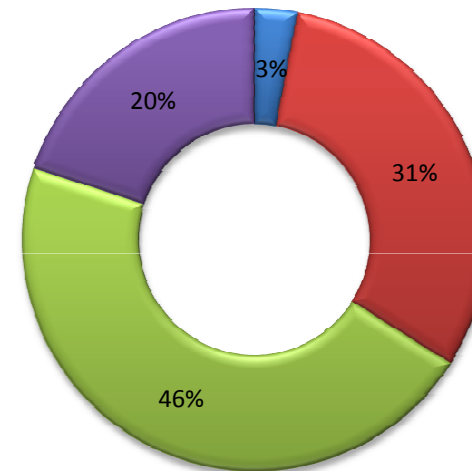


# The compliant audit cont'd

- Your audit will be comprised of four distinct activities:

- **Initiation** – here we work with those in charge of governance to outline the key requirements of the audit, confirm respective roles and responsibilities, agree fees, agree deliverables and formalise the terms of our engagement;
- **Planning** – here we work with management to assess the operating environment, develop/enhance our knowledge of the organisation and the system of internal controls, identify risks and potential areas of weakness/concern;

■ Initiation ■ Planning ■ Execution ■ Completion

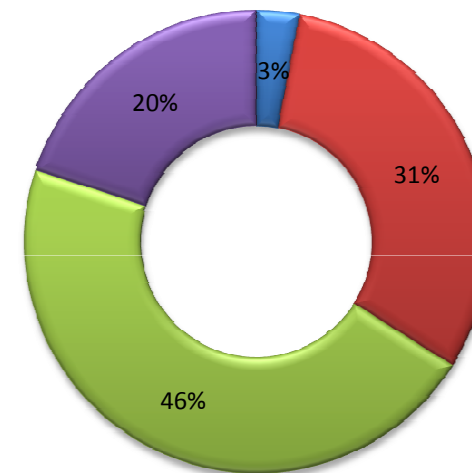


# The compliant audit cont'd

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- **Execution** – usually takes place in one or two phases, here we perform the required testing of internal control systems and review underlying information to obtain comfort over the financial statements;
- **Completion** – here we complete our work, discuss the results of our work with those in charge of governance, obtain relevant representations and present the agreed deliverables,. We also identify lessons learned and start adapting our audit approach for the next period.

■ Initiation ■ Planning ■ Execution ■ Completion



# The compliant audit cont'd

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- Your audit will be performed in accordance with International Standards of Auditing approved in the United Kingdom and Ireland (ISA UK&I).
- Your audit will consider the following key areas
  - Financials, this is the core of the audit and is the material on which we opine
  - Controls, where appropriate we will review and assess these to assess the risk of material misstatement of the financial statements.
  - Systems, we will look at the key day to day processes and procedures in place within the organisation and assess whether these are well
  - People, our audit depends on your people and the level of assistance they can provide
  - Business, the business objectives drive the businesses financial performance and the level of risk management are happy to undertake.
  - Environment, we will consider the risks posed by the organisations environment.



# The compliant audit cont'd

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- An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
- An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
- We plan and perform our audit procedures with an attitude of professional scepticism. Our procedures are designed to assess whether the financial statements may be materially misstated due to fraud or error.
- Our audit will also include an assessment of management's assertion that the entities subject to audit are a going concern.
- For controls based audits we will report to those in charge of governance on any areas where we have identified weaknesses in the system of internal controls including recommendations on how this system might be improved.



# Ethics

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- At compliant we maintain a rigorous quality control process. This process operates largely on the four eyes principle wherein all materials are reviewed and approved before filing or presentation.
- Engagements are subject to internal quality review procedures and certain major engagements are subject to external review in accordance with ACCA guidelines.
- As members of the ACCA we are required to comply with the ACCA's code of ethics. This code among other things addresses our duty of confidentiality owed to our clients. We take this responsibility very seriously and as such will not disclose any of your details of the details of the transaction on account without your prior authorisation unless we are required to do so by law or on the legitimate request of relevant authorities.
- As your auditors we will always endeavour to preserve our independence. Our actions in this regard will usually include reviewing our activities and those of other related parties to identify potential threats to our independence , and implementing appropriate safeguards.
- A copy of the ACCA's code of ethics is available from the following website:  
<http://rulebook.accaglobal.com>



# Other services

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- In addition to statutory audits we also provide the following services which may be of interest to you:
  - Payroll bureau – we can manage all of your payroll activities including computing pay, handling remittances to employees, co-ordinating payments to HMRC and preparation and submission of year end returns;
  - Software provider – we use the full suite of IRIS products in our practice and to good effect. If you are looking for an improvement on your current system and you think Iris is worth considering we can arrange demos and preferential prices on any of a number of IRIS products;
  - Company formation, dissolution and company secretarial services;
  - Tax advisory services – we provide expert tax advisory and tax planning services either directly or through our associates;
  - HMRC investigations – we also provide assistance with HMRC enquiries and investigations, helping you to protect your position or minimise your exposure.
  - Training– we provide training services directly as well as through our associates. Our training mainly focuses on financial awareness issues and developments in accountancy and finance.
  - Management consulting – we provide consultancy services in a number of areas including cost control, management effectiveness, and performance improvement



# Contact us

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- Should you have any questions or concerns regarding anything covered in this document please feel free to contact us using any of the following means:

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