

INDEPENDENT EXAMINATION OF CHURCH ACCOUNTS

Churches whose annual income is greater than £25,000 are legally required to have their annual accounts independently examined. That is a technical expression. “Independent” means that the examiner should have no immediate connection with the church. Whether this connection exists will depend upon the circumstances but the following persons at least will normally be considered to be connected – and therefore unqualified to conduct the examination.

- a) the church’s officers or anyone else who is closely involved in the administration of the church
- b) a major donor
- c) a close relative, spouse, partner, business partner or employee of any person who falls within (a) or (b) above.

Churches whose income is under £250,000 may produce “receipts and payments” accounts – which are the normal format of accounts that churches will be used to preparing. Churches with a larger income must produce “accruals accounts”. It is assumed that churches that are large enough to produce accruals accounts will have sufficient expertise “in house” and therefore this Fact Sheet concentrates on the independent examination of receipts and payments accounts.

Charity Commission guidance as to the obligations placed upon Independent Examiners may be viewed on the following link. Whilst it may seem daunting, church officers are reminded that this is a legal requirement and that the guidance is aimed at Independent Examiners who should have the professional experience not to be intimidated by it.

www.gov.uk/government/publications/independent-examination-of-charity-accounts-trustees-cc31/independent-examination-of-charity-accounts-trustees

Once the Independent Examiner has conducted his investigation he should sign a report in accordance with the template appended to this Fact Sheet (see Appendix).

FS\IECA\01\18

Disclaimer: *This Fact Sheet has been prepared carefully from the information available; however GBTC accepts no responsibility for its complete accuracy, and would encourage the consultation of professional advisors. All rights to the resource material are reserved. The material is not to be published in other media or mirrored on websites without written permission.*

APPENDIX

Independent Examiner's Report on the Accounts - TEMPLATE

Section A Independent Examiner's Report

Report to the trustees/ members of

(CHARITY NAME)

On accounts for the year ended **Charity No. (if any)**

Set out on pages *(Remember to include page numbers of additional sheets)*

Respective responsibilities of trustees and examiner The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011(the Charities Act) and that an independent examined in needed.

- It is my responsibility to:
- examine the accounts under section 145 of the Charities Act,
 - to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
 - to state whether particular matters have come to my attention.

Basis of independent examiner's statement My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts presents a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement In connection with my examination, no material matters have come to my attention (other than that disclosed below*) which gives me cause to believe that in, any material respect:

- accounting records where not kept in accordance with section 130 of the Charities Act or
- the accounts do not accord with the accounting records

I have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.
**please delete the words in the brackets if they do not apply.*

Signed: & Dated: / /

Name:

Relevant professional qualification(s) or body (if any):

Address:

