



A CREDIBLE CHOICE FOR YOUR FINANCIAL STATEMENTS

These options are open to any small company (as defined by the Companies Act). Medium and large companies are required by law to have an audit. Large charities are required to have an audit, but all medium-sized and some small charities can choose between an audit and an independent examination. If you are in any doubt about your options, check your status with a qualified accountant.

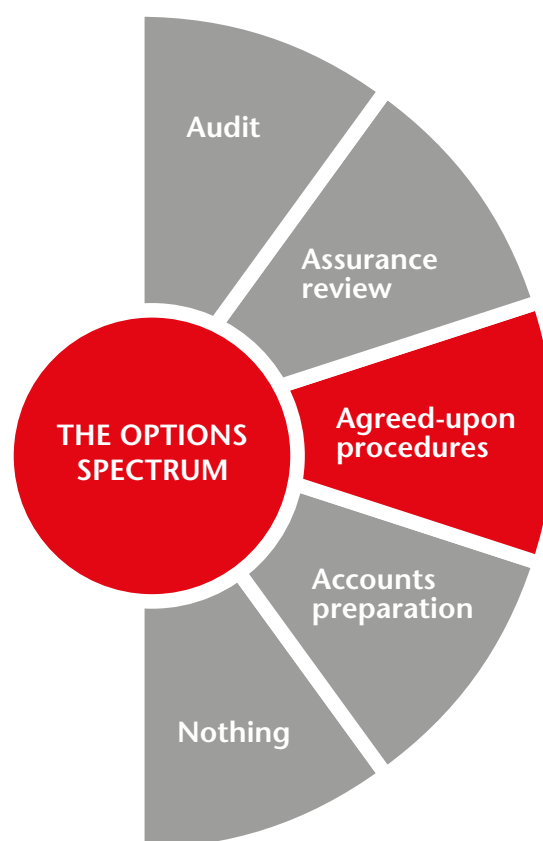
What are they?

During an agreed-upon procedures engagement a qualified accountant will discuss with you and agree a set of procedures to perform that are based on your requirements. These procedures will cover an agreed aspect of your business information, rather than the whole of your financial statements. The accountant will perform the procedures and report the results on a factual basis with no opinion or conclusion.

The accountant presents the results of these procedures to you, so that you can draw your own conclusions from them.

Take care!

Unlike an audit, agreed-upon procedures are not a regulated service. The quality of the engagement depends on the skill, integrity, and experience of your accountant. There is no law to enforce quality control, so it is important that you make sure you are talking to a qualified professional accountant.



Overview

Audit

Assurance review

Agreed-upon procedures

Accounts preparation

ASSURANCE OPTIONS: AGREED-UPON PROCEDURES

You may need agreed-upon procedures if...

- The value of your audit or assurance review is associated with specific areas of work and not all of the accounts. This work could be performed without any conclusion or opinion being provided and you would get all the comfort that you need about the information in your financial statements.
- Your accounts have been prepared by a qualified professional accountant and this has given you confidence in their quality and integrity.
- As a business owner, you would like to have a second opinion over specific activities of your finance function, or you have responsibility for the in-house finance function and would like to reassure your fellow owners of the quality and integrity of your work.
- You have experienced difficulties in specific areas and would like to demonstrate that these have been addressed. This could be for the sake of a key customer, a potential purchaser, or an investor, for example.

A different option may prove better if...

- Audited accounts are a contractual requirement in order to win work from a key customer. Local government contracts or contracts with some larger entities may include a requirement of this kind.
- You have some other way of providing assurance to interested people outside your business. For example, open book contracts might mean that your key customers have no need for further assurance over your accounts as they can visit and obtain what they need directly.
- You are concerned about the confidence that anybody outside your business has in the whole of your financial statements given that no report is necessarily required with agreed-upon procedures. This could include lenders, investors, potential purchasers, key customers, or other influential members of your local community.
- You would like an opinion or conclusion that covers the whole of your financial statements.