HAT Group
The White Chapel Building, 10 Whitechapel
High Street, London, E1 8QS
hatgroup.co.uk

YOUR COMPLIANCE PARTNER

Updates and Insights

Issue 3.2026
Edited by Simon Kettlewell

Welcome

Welcome to the latest edition of HAT Updates and Insights.

We hope you like the new format for these updates – if you have any feedback please let Bertie know your thoughts.

Our Charities Update is being held on 14 April – this is a vital Update as it will cover the changes to the SORP as a result of the revisions to FRS 102.

For the users of our Practice Assurance documentation, you should have received an update recently, including engagement letter wording for dealing with MTD.

The world of all things technical continues to change; catch up on the latest developments in the Technical Update section.

Simon Kettlewell - Technical Director

Contents

Editorial	1
Upcoming Courses and Events	2
Updates to HAT Methodologies	4
Technical Update	5

Upcoming Courses and Events

Our website provides details of all our current courses.

Courses for 2026 have now been planned, and include:

Course	Presenter	Date	Location
Charities Update, including FRS 102 changes	Andrew Jarvis and Adam Loake	14 April 2026 9.30am – 12.30pm	Online
AML 2026 Update	Kate McCaffrey	13 May 2026 3.00pm – 4.30pm	Online
FRS 102: What You Need to Know	Kate McCaffrey	9 June 2026 24 November 2026 9.30am – 12.30pm	Online
Being an Effective R.I	Kate McCaffrey	14 July 2026 9.30am – 12.30pm	In person
Effective Audit Review	Adam Loake	12 November 2026 9.30am – 4.30pm	In person
AML Compliance: A guide for Senior Management	Simon Kettlewell	12 November 2026 2.00pm – 4.00pm	Online
Audit Planning Workshop	Kate McCaffrey	26 November 2026 9.30am – 12.30pm	In person

A recording of our recently held 'SRA Accounts Rules 2026 Update' is available. Contact us for more details.

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Career Development Courses

Our popular Career Development course programme covers the skills needed for trainees and newly qualified staff. Full details are provided below.

Course	Date	Venue
Kickstart Your Career	28 August 2026	London
Introduction to Accounting	14 – 18 September 2026	London
Introduction to Auditing	21 – 25 September 2026	London
Advanced Accounting	22 – 23 June 2026	London
Practical Auditing	6 – 10 July 2026	Residential – Ipswich
A Practical Introduction to UK GAAP	15 – 16 June 2026	London
Becoming an Effective Audit Senior	20 – 24 April 2026	Residential – Norwich
Becoming an Effective Supervisor	9 – 13 November 2026	Residential – venue TBC
Managers Course	Contact Kate McCaffrey to discuss	

Further information

Full details of the Career Development courses can be found on the HAT website here.

Should a firm require any other information about our Career Development courses, please contact Kate McCaffrey.

Please see the HAT website www.hatgroup.co.uk for our full range of courses and further details such as pricing. Bookings can be made via our website or please email hat@hatgroup.co.uk or call 020 7213 9911 for more details.

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Updates To The Hat Methodologies

The following updates have been released in past few months:

Reference	Date	Content
TM 01/26	9 February 2026	HAT Charities Methodology – 2025 Update
TM 02/26	25 February 2026	HAT Pension Schemes Methodology: 2025 Update
TM 03/26	25 February 2026	HAT Not For Profit Entities Methodology: 2025 Update
TM 04/26	25 February 2026	HAT RSHP's methodology: 2025 Update
TM 05/26	27 February 2026	FRS 102 (Sept 2024) Disclosure Checklists
TM 06/26	16 March 2026	HAT Practice Assurance Framework: 2026 Update

The updates to methodologies mentioned above have been primarily driven by the need to reflect the new company size thresholds, which apply for accounting periods commencing on or after 6 April 2025.

NB; the update to the Charities methodology does not reflect the revised Charities SORP, effective for periods commencing on or after 1 January 2026, nor does it reflect changes to audit thresholds expected later this year. These will be covered in the 2026 update, expected in the final quarter of this year.

Summaries of the changes to our methodologies in the above updates are available here.

A summary of our current methodology and compliance pack including details of effective dates can be obtained by logging into the members' area of the HAT website. Remember, key elements of our audit and non-audit methodology are available from our partners, CaseWare and MyWorkPapers. For full details of the availability of our documentation within these platforms please contact us.

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Company Law

Updated Guidance Regarding PSCS

The government has published updated statutory guidance on the meaning of "significant influence or control" over companies in the context of the regime for people with significant control.

Amendments to the prior version, which was published in June 2017 and has now been withdrawn, largely reflect the passage of time and recent changes which have been brought about regarding registers and the location of information.

Accounting Standards

Amendments To FRS 102 Published

The Financial Reporting Council ("FRC") maintains international alignment for companies applying adapted formats in financial statements and their Press Release indicates that amendments to FRS 102 have been issued to provide companies with an updated framework when adapting the formats of their balance sheets and profit and loss accounts in their financial statements.

The amendments have been developed to maintain alignment with the presentation requirements of International Financial Reporting Standards (IFRS), following the introduction of IFRS 18 'Presentation and Disclosure in Financial Statements'. Entities that do not choose to adapt their financial statement formats under FRS 102 will not be impacted by these amendments, which are effective for accounting periods beginning on or after 1 January 2027.

HAT RESPONSE

These changes apply in 2027 (to align with the implementation date of IFRS 18) and therefore, any amendments will be reflected in the HAT Audit Methodology (2027 Update).

Anti-Money Laundering

Clarification Regarding Digital Identity Verification

HM Treasury has published guidance regarding digital identity verification, jointly with the Department for Science, Innovation and Technology and their Press Release includes:

"It clarifies how digital verification services can be used for identity verification checks required under the Money Laundering Regulations ("MLRs"). In order to be used for these checks, digital verification services must be on the GOV.UK Register of services certified against the UK digital verification services trust framework. The new guidance supplements but does not supersede obligations under the MLRs."

ACTION FOR FIRMS

Any firm which utilises digital identity verification should review the guidance and register of certified providers to identify whether any amendments are required to their procedures.

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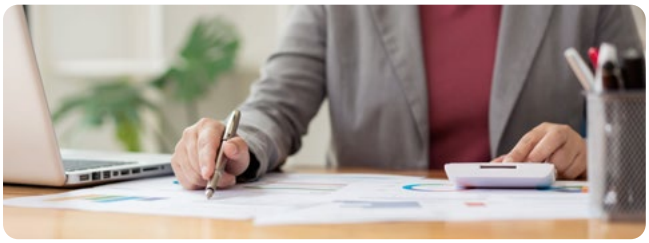
Annual OPBAS Supervisory Report

The Financial Conduct Authority ("FCA") has published the OPBAS report: Progress and themes from our 2024/25 supervisory work and their summary includes:

"We have published findings on the progress made by professional body supervisors ("PBSs") in tackling money laundering. The report looks at OPBAS activities during the 2024/25 supervisory cycle.

In general, most PBSs continue to meet the requirements of the Money Laundering Regulations 2017, but some poor practices remain.

OPBAS is fully committed to playing a strong role in reducing and preventing economic crime. We will continue to take action to address identified shortcomings and improve how consistently and effectively PBSs supervise their members."



ICAEW / ACCA / Regulatory

Updated ICAEW Letters Of Engagement

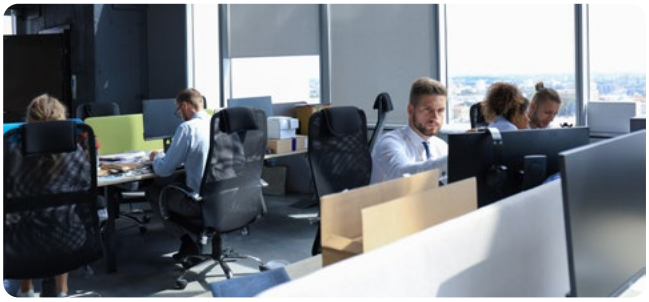
ICAEW have updated their template letters of engagement. They indicate that:

"The updated engagement letter templates incorporate several significant new schedules designed to reflect recent regulatory, operational and technological developments.

The revisions include dedicated schedules covering the filing of company accounts on behalf of clients, Making Tax Digital ("MTD") services and agreed upon procedures. Guidance has also been provided on the use of artificial intelligence (AI)."

HAT RESPONSE

HAT has already issued an update including MTD wording. Updates regarding the filing of company accounts and the use of AI will be issued later in the year.



Pensions

Publication Of Pension SORP 2026

The Pensions Research Accountants Group ("PRAG") has released the Statement of Recommended Practice, Financial Reports of Pension Schemes 2026 (the "2026 SORP") and their Press Release includes:

"The final 2026 SORP has been released onto the member section of the PRAG website / Member area / Publications and it is required to be adopted for all periods commencing on or after 1 January 2026.

The updates to the SORP have been to apply the changes required to be consistent with FRS 102 and also current pension legislation and regulations, alongside updates to reflect current pension scheme developments. Key amendments relate to fair value determination, investment risk disclosures and sole investor pooled arrangements."

HAT RESPONSE

Time has been set aside to incorporate the new SORP into the HAT Pensions Methodology and this will be released later in the year.

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Client Money

Interim FRC Guidance On FCA Safeguarding Assignments

The FRC has published new Interim Guidance on Payment and E-Money Safeguarding Assurance Engagements, providing support for safeguarding auditors as payment and e-money institutions prepare to transition to the Financial Conduct Authority's (FCA's) new Supplementary Regime, which comes into force on 7 May 2026. Their Press Release includes:

"The FCA's new regime introduces enhanced requirements for recordkeeping, reconciliations and governance to address weaknesses in existing safeguarding arrangements and strengthen consumer protection. Safeguarding auditors will play a key role in assuring firms' compliance with these expectations during the first audit cycle under the new regime.

The Interim Guidance provides principles to support high quality, consistent safeguarding assurance engagements from implementation of the new rules until the FRC issues a dedicated safeguarding assurance standard following public consultation, expected in 2027. It is intended to help auditors exercise professional judgement, plan their work and determine appropriate procedures in a period where legacy rules and new requirements operate in parallel.

To support familiarity for auditors, the Interim Guidance draws on the structure and principles of the CASS Assurance Standard and signposts relevant paragraphs. These references are illustrative and intended to aid understanding, rather than forming an exhaustive or prescriptive list.

Overall, the Interim Guidance is a transitional resource developed to help safeguarding auditors prepare for the introduction of the FCA's Supplementary Regime while maintaining quality, consistency and appropriate professional judgement."

HAT RESPONSE

A review has been performed of the Interim Guidance and updates to the HAT FCA Client Assets Reports methodology are currently being processed and will be released before the end of May 2026.

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