HAT
YOUR COMPLIANCE PARTNER

MEMO 12/26

To: Subscribers of the methodology
From: Simon Kettlewell
Date: 2 October 2026

UPDATE TO THE HAT NON-AUDIT ASSIGNMENTS METHODOLOGY: 2026 UPDATE

The HAT Non-Audit Assignments Methodology has been updated as part of the annual update cycle. The new version is referred to as "Non-Audit Assignments - 2026 Update".

The primary driver for change is the introduction of FRS 102 (September 2024), which is effective for periods commencing on or after 1 January 2026 (so typically 31 December 2026 year ends).

The most significant changes are:

- Updated suggested thresholds for Tier 1 and Tier 2 (NB: these are not mandatory thresholds).
- A new 'First time application of FRS 102 (September 2024)' work programme – this can be found at Ac12 within the Planning folder;
- Fully updated suite of disclosure checklists and the Disclosure programmes.
- Updated work programmes to reflect changes in FRS 102's requirements.

However, company size thresholds change for accounting periods commencing on or after 6 April 2025 (so typically 30 April 2026 year ends). To deal with the change, the "2025 Update" includes audit exemption, small company exemption and micro company exemption checklists for periods commencing prior to 6 April 2025 and on /after 6 April 2025.

References to the now superseded company size thresholds have been removed.

There are a number of other minor presentational changes and user enhancements throughout the methodology. Where the documents have been amended in this update, the right-hand side footer states 09/26.

The updated Non-Audit Assignments Methodology should be used for any accounting period commencing on or after 1 January 2026. For periods commencing prior to this, the 2025 Update should still be used.

In addition, the Proforma Docs folder has been updated. This includes an updated Engagement letter cover letter and an updated Terms of Business template. The Terms of Business template has seen the most significant amendments, being made to the limitation of liability clauses and the introduction of a section related to the use of Artificial Intelligence.

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Users should download the updated Methodology and Proforma docs IN FULL from the members area of our website.

For firms using CaseWare and BrightWorkpapers, these changes will (where relevant) be reflected in forthcoming updates of their packs which will be issued in due course.

We are always pleased to receive feedback on our methodologies; if you have any comments, please email simon@hatgroup.co.uk