

To: All firms
From: Simon Kettlewell
Date: 29 May 2018

AUDIT REPORTS: REVISION TO PLACEMENT OF THE 'BANNERMAN' WORDING

Following on from Technical Memo 09/18 "*Updates to Audit Report templates*", released on 3 April 2018, updated guidance has now been issued regarding the placement of the 'Bannerman' paragraph in ISA (UK) 700 audit reports.

ICAEW have revised Technical Release 01/03AAF (Revised) "*The Audit Report and Auditors' Duty of Care to Third Parties*" (dated 18 May 2018) which now confirms that the 'Bannerman' wording should be included as the **last** paragraph of the audit report, directly above the auditor's signature. The wording will still be included under a heading of "Use of our report".

All of the model audit reports in HAT's audit manuals have again been updated to reflect this revised guidance.

The manuals affected are:

- Charities
- Corporate Audit
- Groups
- LLP's
- Not for Profit
- Pensions
- Registered Social Housing Providers

All affected audit reports are annotated as "05/18" in the footer. A full list of all amended reports can be found in the Appendix below.

For ACCA practices, Technical Factsheet 84 *The Use of Disclaimers in Audit Reports* has not changed. This factsheet does not encourage the use of a disclaimer in every audit report. When a disclaimer is included, the suggested wording in ACCA Technical Factsheet 84 differs slightly from the suggested wording included in our template audit report (although the majority of software packages utilise this wording). Practices regulated by the ACCA should therefore follow the guidance of that body.

Each manual has been updated in full in Sharefile. Users can either download the Manuals in full or download the updated template audit reports on an individual basis (a list of the documents amended can be found below).

We are always pleased to receive feedback on our manuals. If you have any comments then please email simon@hatgroup.co.uk

APPENDIX: LIST OF AMENDED DOCUMENTS PER MANUAL

- **Charities – June 2016 (10-17 Update)**
 - 3.11.1
 - 3.11.2

- **Corporate Audit – Jan 2016 (01-18 Update)**
 - 3.11.1b
 - 3.11.2b
 - 3.20b
 - 4.6b
 - 4.7b
 - 5.6

- **Groups – Jan 2016 (01-18 Update)**
 - 3.9.1b
 - 3.9.2b

- **LLP – Jan 2016 (01-18 Update)**
 - 6.1b
 - 6.2b

- **Not for Profit – Jan 2016 (02-18 Update)**
 - 4.8

- **Pensions – June 2016**
 - 3.13

- **Registered Social Housing Providers – June 2016**
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