

To: All firms
From: Simon Kettlewell
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UPDATE TO THE HAT CORPORATE AUDIT MANUAL: IFRS AMENDMENTS

The HAT Corporate Audit Manual has been updated as part of our annual update cycle. The primary driver for the update is the introduction of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments*, which are mandatory for accounting periods commencing on or after 1 January 2018 (i.e. 31 December 2018 year ends).

The updated Manual is titled "January 2016 (12-18 Update)". This reflects that the Manual still applies for accounting periods commencing on or after 1 January 2016, as well as covering amendments made for entities with accounting periods commencing **before** 1 January 2019.

In summary, the changes made include:

- Enhancements to the IFRS top up programmes reflecting the additional requirements of IFRS 15 and IFRS 9
- Updates to the IFRS and FRS 101 disclosure checklists, primarily as a result of IFRS 15 and IFRS 9;
- A new supplementary disclosure checklist dealing with the disclosures required on first time adoption of IFRS 15 and IFRS 9;
- Non-IFRS changes include:
 - A new test on the Cash and Bank audit programme reflecting the need for the auditor to consider, on a risk sensitive basis, whether to obtain a bank letter;
 - Some minor updates to the SME Listed entities chapter.

There have also been changes made to the "Proforma Documents" folder; this has now been renamed "Proforma Documents – December 2018" and the following key amendment made:

- Updated Terms of Business, reflecting the changes required by the Insurance Distribution Directive as well as some further minor amendments.

All amended documents are annotated as "01/19" in the footer.

Users should download the Manual **IN FULL** from the Members' Area of our [website](#) , overwriting any existing copies downloaded when they were first issued.

The Non-Audit Assignments Manual, LLP Manual and Groups Manual have all been updated and will be released today (by way of TM 02/19, TM 03/19 and TM 04/19 respectively).

Where necessary we will also update our specialist Manuals over the next few weeks.

For firms using CaseWare, these changes will (where relevant) be reflected in the next update of the template which we expect CaseWare to issue in due course.

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