

To: All firms
From: Simon Kettlewell
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UPDATE TO THE HAT CORPORATE AUDIT MANUAL: AMENDMENTS FOR PERIODS COMMENCING ON/AFTER 1 JANUARY 2019

The HAT Corporate Audit Manual has been updated as part of our annual update cycle. There are a number of new requirements for periods commencing on/after 1 January 2019, and therefore the updated Manual is titled “January 2019”. The revised Manual should be used for any accounting period commencing on or after 1 January 2019. For periods commencing prior to this, the HAT Corporate Audit Manual (January 2016) should still be used.

In summary, the technical changes made include:

- Reflecting the requirements of FRS 102 (March 2018) which is mandatory for periods commencing on or after 1 January 2019. This updated version of FRS 102 incorporates the Triennial Review Amendments and alters accounting treatments in certain areas, as well as making disclosure amendments. As a result, audit programmes and disclosure checklists have been updated;
- Updates to the IFRS documentation to deal with the introduction of IFRS 16 Leases (top up audit programme, IFRS and FRS 101 disclosure checklists, Transition to IFRS 16 disclosure checklist);
- Additional procedures added to the S Section (Disclosures) work programme to deal with the new disclosure requirements in the Directors Report and Strategic Report for medium and large entities (including the energy and carbon reporting requirements which are introduced for periods commencing on or after 1 April 2019);
- Removal of all documents that dealt with accounting periods commencing on or before 17 June 2016 (i.e. the pre ISA (UK) documentation)

A number of enhancements have also been made to the Manual, as follows:

- Removal of the complex audit programmes; these were rarely used. The approach now adopted in the “paper” manual mirrors that in the HAT CaseWare template, where the uncomplex programmes are used by default;
- A new schedule at the planning stage (Ac14-1) to enable auditors to summarise the risks identified during planning;
- An enhancement to Ac10 to separately document the design and implementation of controls relevant to the audit;
- An additional question regarding fraud at Ac18.

All amended documents are annotated as “09/19” in the footer.

Users should download the Manual **IN FULL** from the Members' Area of our [website](#).

The Non-Audit Assignments Manual, LLP Manual and Groups Manual have all been updated and will be released today (by way of TM 13/19, TM 14/19 and TM 15/19 respectively).

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

For firms using CaseWare, these changes will 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