

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 2021

The HAT Corporate Audit Manual has been updated as part of our annual update cycle.

The amendments required have principally been driven by the UK leaving the European Union. Legislative changes were made to the various parts of the Companies Act which came into force subsequent to the end of the “Implementation Period”. These changes also introduced UK-adopted IFRS, which is to be used for UK entities following International Accounting Standards.

In addition, the following changes have been made:

- Updates to the Debtors, Creditors, Hedge accounting and Investment property audit programmes to incorporate the amendments to FRS 102 dealing with Interest Rate Benchmark Reform;
- Updates to the ethical considerations regarding the ban on the provision of non-audit services to Other Entities of Public Interest (“OEPI’s”);
- Updates to the audit report templates further to the FRC’s latest *Illustrative Auditor’s Reports* bulletin.

As the changes made in this update are relatively insubstantial, the Manual is referred to as “January 2020 – 09/21 Update”.

All amended documents are annotated as “09/21” in the footer.

For periods commencing prior to 1 January 2021, the HAT Corporate Audit Manual (January 2020) should still be used.

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 12/21, TM 13/21 and TM 14/21 respectively).

Where necessary we will also update our specialist Manuals over the next few months. However, please note the following:

- The changes to Company law and the new OEPI status are not expected to impact specialist assignments;
- We do not plan to update the specialist Manuals for Interest Rate Benchmark Reform; in the highly unlikely circumstance that this applies, reference should be made to the Corporate Audit methodology.

For firms using CaseWare / MyWorkpapers, these changes will be reflected in the next update of the templates which will be issued 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