

Compliance Reviews



Our Review Service Can Help You

- **Improve your profitability by helping to cut down on unnecessary time and cost.**
- **Free up your time by undertaking your annual compliance review for you.**
- **Eliminate wasted time and improve compliance by conducting a review of your audit planning.**
- **Provide targeted training on actual files.**
- **Meet any requirements imposed by your regulator.**
- **Comply with relevant standards and implement best practice.**

We offer a variety of reviews:

- Audit Cold File Review
- Audit Hot File Review
- Audit Compliance Review
- Cold File Review with Advice and Training
- Clarified ISA Coaching
- Independence Review
- QAD Report Implementation
- Practice Assurance Review
- Review of Audit Planning
- Whole Firm Review
- Investment Business Review (DPB only).

All of these reviews can be done as a visit to your firm. This gives you the benefit of a detailed face to face de-brief meeting which can involve all relevant members of staff. This de-brief meeting will highlight the key points arising from the reviews as well as the recommended actions to be taken. Any comments raised during this meeting can be incorporated into the report as appropriate.

We also recognise that many firms have only a small number of audit assignments so we do offer a service where files are sent to us for review. You will still receive a personal de-briefing as we will contact you by telephone following the review to explain the key matters arising and any action points to be addressed.

Our reviews include a written report which is e-mailed as a PDF file within two weeks of the review.

All prices in the brochure are stated exclusive of VAT, reasonable accommodation and travelling expenses where applicable. Prices in brackets are discounted rates which apply to firms who:

- pay an annual subscription (based on the size of their practice) to be a national member, OR
- are current subscribers to the Mercia Audit Manual, OR
- are current users of either Caseware or the Mercia version of CCH ProAudit paperless audit systems.



Any questions

If you would like to know more about our range of Compliance Reviews please contact david.southern@mercia-group.co.uk

If you would like to book a review please contact dawn.hollies@mercia-group.co.uk

Alternatively you can call them on 0116 258 1200

Cold File Review

The key features of this type of review are as follows

- a detailed review of the accounts and audit file(s) of assignments that have been fully completed and signed off
- a written report that will highlight strengths as well as opportunities for improvement which will increase the efficiency and commercial effectiveness of the audit process
- the report will include a summary of key recommendations and action points such that overall standards can be improved.

We recommend a visit if you have three or more audit files to be reviewed or two files if you wish to combine the review with a compliance review or with advice and training (see next page for details).

We also provide a review service for audit exempt files.

Cost (per file)

Postal Review **£315 (£265)**
(up to two files)

As a visit **£345 (£295)**
(for three files or more)

Hot File Review

Hot file reviews are recommended for high risk or technically challenging audit assignments or where the fees represent a substantial proportion of the total practice income. This service might also be advisable if the audit fee represents a substantial proportion of an individual partner's total portfolio income or if there is a long-standing association with a client.

The purpose of a hot file review is to identify any key issues which need to be addressed before final completion.

This service includes the following:

- a detailed review of the accounts and working papers before the file has been fully signed off
- a written report that will identify and weaknesses as well as the key matters to address before the audit opinion is issued.

Cost (per file)

Postal Review **£450 (£405)**

As a visit **£480 (£435)**
(minimum two files)



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Audit Compliance Review with Cold File Reviews

Auditing Standards require registered firms to conduct compliance reviews of the regulations at least once a year. We can conduct the compliance review for your firm.

This service includes the following:

- two cold files (minimum*)
- a review of office procedures including acceptance and reappointment, independence, fit and proper, skills and competence, consultation and PII
- a written report that will identify strengths and weaknesses as well as suggestions for improvement

* There is no upper limit to the number of files that can be reviewed. We have a number of clients who undertake an annual review of up to 30 files over a 4 or 5 day period.

You may like to pre-book your compliance review each year to correspond with completion of your annual return.

Cost

£960 (£835)

Cold File Review with Advice and Training

This service is designed to offer immediate feedback to a wider audience and can cover a range of issues. The key features are as follows

- one day visit on site[†]
- two cold file reviews[†]
- verbal analysis and feedback to identify weaknesses and advise on the opportunities for development and improvement
- open question and answer session on individual files, general procedures or technical matters.

Feedback and training sessions can be for 2 – 25 members of staff. Some firms prefer partner involvement only whilst others see it as an opportunity to deliver tailored advice and consultancy to a broader range of the team. The objective is to provide you with an informal atmosphere to promote free and open discussion on matters relevant to the audit process appropriate to your firm.

[†] We can also provide this service for multiple days and to include more files.

Cost

£1,075 (£970)



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Clarified ISA Coaching

Clarified ISAs apply to audits for periods ending on or after 15 December 2010. This service will help you understand how to apply the new standards. This will be of particular help to smaller firms in applying the new standards.

The coaching can either be done on a one-to one basis or alternatively as a training exercise to a small group. It will be carried out in your offices using one of your own audit files. The service includes the following:

- a cold file review
- detailed discussions on applying clarified ISAs ; and
- a written report that will summarise the changes needed to comply with the standards

The coaching will focus on the specific changes needed when performing future audits under the new regime.

Cost

£925 (£830)

Independence Review

An Independence Review is an important safeguard against conflict of interest or independence issues that may arise in certain situations.

A typical example is where a single audit client represents a substantial proportion (usually 10% or more) of total practice income or where a single audit client represents a substantial proportion of an individual partner's total portfolio income.

The review is more extensive than an individual Hot File Review and will include the following:

- A review of the firm's procedures to identify conflicts of interest on any matters likely to jeopardise independence.
- A review of independently selected files to ensure objectivity and independence in the performance of audit procedures, particularly at the planning and completion stages.
- An assessment of internal procedures to address similar issues.
- An interview with partners, managers and independently selected members of the audit team.
- A verbal debrief meeting at the completion of the visit.
- A written report of key findings. This includes conclusions on the adequacy of internal procedures and highlights any areas in which safeguards can be improved.

Cost

£1,000 (£900)



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QAD Report Implementation Visit

Let us translate your QAD report! Send us a copy of your written QAD report and we will arrange a two hour meeting at your offices to deliver a verbal report by reference to specific instances of matters raised on your audit files. On request, we will also provide a written summary of recommendations to address and correct the areas of weakness identified by the QAD.

The following areas are typical examples where further clarification and guidance is often required:

- Appropriate planning documentation.
- The method of sample selection and test levels.
- The use of analytical procedures.
- Recording of audit evidence.

This list is not exhaustive!

Cost

£675 (€605)

Practice Assurance Review

The new ICAEW Practice Assurance Regulations were effective from February 2005 and requires firms to establish and monitor a range of quality control procedures. Our comprehensive compliance review service addresses each of the four Practice Assurance standards.

The key features of this service are:

- preliminary discussions with the partners in order to ascertain the scope and focus of the review
- a detailed review of the main departments or key income streams identified by those discussions
- a written report which will highlight the areas of best practice as well as any areas in which the procedures require improvement. The report will also include commercially effective measures to enable best practice to be achieved in these areas.

Each visit will include a verbal de-brief meeting with the partners and managers. This is an important part of the service and will highlight the main findings of the review as well as the recommended action to be taken. The detailed report will then incorporate appropriate "Action plans" in respect of each of the Practice Assurance standards.

Cost

£1,050 (€945)



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Review of Audit Planning

This type of review is designed to ensure that the audit work is planned in accordance with ISA+ requirements and that the subsequent fieldwork is carried out efficiently and effectively. It will include an assessment of

- ISA+ 315 and 330 requirements
- risk assessment and response
- fraud risk, estimates and related parties
- planning memorandum and overall approach
- efficiency and commercial matters.

This will normally be done as a postal review service where the files are sent to our office.

Cost (per hour)

£225 (€200)

Whole Firm Review

The ICAEW occasionally requires firms to undertake a whole firm review. To assist firms with this requirement, the service we provide includes the completion of the Institute checklist, undertake independent verification and the preparation of a separate report.

We can conduct this service as a stand alone review or incorporate it into hot or cold file reviews.

This review does need to be carried out as a visit as we will require access to confidential information concerning the firm.

Cost

£450 (€405)



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Investment Business Review (DPB only)

This review will cover all the areas for which the firm is authorised to conduct investment business under the DPB regime. Reviews include:

- discussion of investment business procedures
- in depth review of a sample of client files
- follow up discussion with the investment business compliance partner
- detailed findings report and recommendations.

Cost

£1,075 (€975)

Further Details

For further details please follow this link http://www.mercia-group.co.uk/terms_and_conditions/compliance.htm. This will give details of the process and our terms and conditions.

Online Enquiry Form

Please follow this link <http://www.Mercia-Group.co.uk/reviewenquiryform> for our online enquiry form which can be used to send us details of the services you require. Once we receive this we will check availability and contact you to discuss your requirements.



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