

# AUDIT

## Main Points:

- when an audit is required (40)
- qualification required (41)

## 40 When an audit is required

Churches in England and Wales with total gross income or total expenditure greater than £500,000 or whose gross assets over £3.26 million must arrange for the annual accounts to be audited. (see threshold table on Methodist website).

Churches in Scotland or Shetland with total gross income or total expenditure greater than £100,000 or whose gross assets over £2.8 million must arrange for the annual accounts to be audited. (see threshold table on Methodist website).

Churches in the Isle of Man with total gross income or total expenditure greater than £100,000 must arrange for the annual accounts to be audited. (see threshold table on Methodist website).

Churches in the Bailiwick of Guernsey or Jersey should follow guidance for England and Wales. (see threshold table on Methodist website).

Any Churches with gross income and total expenditure below that level may **opt** for audit rather than independent examination.

## 41 Qualification required

In all cases where an audit is required a **registered auditor** must be appointed.

**Not all qualified accountants are eligible.** A registered auditor is one who can act as a company auditor under the Companies Act 1989 (*section 25*) and is required to work to auditing standards published by the Auditing Practices Board.

Before anyone is appointed as auditor of a church the managing trustees should ask them to confirm that they are eligible to act in such a capacity.