

South Western Society of Chartered Accountants

Technical Advisory Committee

Acting Chairman:	Kevin Preston			
Reporter:	David Edworthy 28 July 2015			
Document	FRC Consultation Document – Providing Assurance on Client Assets to the Financial Conduct Authority			
Members' attendance representation	Total	Academic	Business	General practice
	8	0	2	6

Question 1

The proposed Standard is very comprehensive and we feel it will therefore meet its objectives, but at a cost. As we explain below however we do feel that there is an element of overkill which will lead to assignments taking longer and therefore being more expensive. An insistence on specific extra training of auditors will also increase costs.

Question 2

No. We feel that to mandate the introduction of the Standard for periods beginning before 1 January 2016 would leave insufficient time for publication of the final version and for the necessary familiarisation and training that will be required.

Question 3

We agree that a single Standard is much preferable.

Question 4 (the first!)

Our general feeling was that there was a great deal of bold type in this document which smacks of overkill. The considerable scope of the requirements will increase the time spent on engagements and therefore the cost of them. It is also probably going to mean that only large firms of accountants will be willing or able to offer the service.

We are happy for the report to be made direct to the FCA. It was suggested that this will avoid any perception problems, where the uninitiated may assume that a clean report implies that all assets are completely safely held.

Question 4 (the second!)

This is overkill again. Auditing Standards deal with the quality control of audit engagements and we do not feel that a CASS audit should be considered to be distinct from an annual accounts audit. It may well be that a different mindset is required but this can be dealt with at the planning stage – as for any audit. It would also, for example, make the CASS audit of a small statutory trust by a sole practitioner onerous or even impossible.

Question 5

We agree. As we have stated in the previous question, a CASS audit is just another audit.

Question 6

We think that the proposed Standard overstates the supposed difference between a CASS audit and an annual accounts audit. There are numerous businesses where auditors need to be specially trained in order to be able to perform effectively. Why should a CASS audit be considered in any different light? It is merely another area for which the auditor needs to be adequately trained. Auditing Standards already cover this and no specific requirement should be necessary in the new Standard.

Question 7

We are happy with the proposed communication of deficiencies in internal control to management and the governing body.