[Address of Independent Examiner]

[Date]

Hon. Secretary

Parochial Church Council of [Parish name]

[Address]

*[Note: The phrases in square brackets should be omitted when the examination is of accounts prepared on the receipts and payments basis.]*

Dear members of the PCC,

**Engagement as independent examiner**

The purpose of this letter is to set out in confirmation of our recent discussions the basis on which I am prepared to act as independent examiner to prepare a report in respect of the PCC’s financial statements for the year ended 31 December 2023, and for future years until further notice, in accordance with section 145 of the Charities Act 2011 (‘the Act’) and the Church Accounting Regulations 2006 (‘the Regulations’).

**Responsibilities of members of the PCC**

As members of the PCC, you are responsible for maintaining proper accounting records and for preparing accounts which [give a true and fair view and] have been prepared in accordance with the Regulations.

You are also responsible for determining whether, in respect of the year (and the preceding two years), the PCC meets the conditions for exemption from an audit of the accounts set out in section 144(1) of the Act and the Regulations, and for providing me with information and explanations required for my examination.

**Responsibilities of members of the independent examiner**

I shall plan my work on the basis that an independent examiner’s report on the accounts is required for the year, unless you inform me in writing to the contrary. As an independent examiner I have a statutory duty to state in my report whether any matter has come to my attention in connection with the examination which gives me reasonable cause to believe that in any material respect:

a) accounting records have not been properly kept in accordance with section 130 of the Act; or

b) the accounts do not accord with the accounting records or do not comply with the Regulations [other than in respect of the requirement for a true and fair view].

I also have a statutory duty to disclose in my report [inconsistencies between the accounts and the annual report and] matters coming to my attention in connection with the examination to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Should my work lead me to conclude that the PCC is not entitled to exemption from an audit of the accounts or should I be unable to reach a conclusion on this matter, then I will not issue any report and will notify you in writing of the reasons. In these circumstances, if appropriate, I will discuss with you the need to appoint an auditor.

**Scope of the independent examiner’s work**

My work will be carried out in accordance with general directions setting out the duties of an independent examiner issued by the Charity Commission and as contained in the Church guidance.

My work as independent examiner will be a less onerous form of scrutiny than an audit of the accounts in accordance with Auditing Standards. My examination will include a review of the accounting records kept by the PCC and a comparison of the accounts presented with those records. It will also include a review of the accounts and consideration of any unusual items or disclosures identified. In such cases where I identify an unusual item, I will seek explanations from the PCC, and may carry out verification and vouching procedures where I require further clarification. [Similarly I will make assessments of the estimates and judgements made by you in your preparation of the accounts where they are material to the accounts.]

My work cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the PCC to guard against. However, I would be obliged to report direct to regulators any matters of material significance coming to light in the course of my work.

Should I become aware, for any reason, that the accounts may be misleading and we cannot agree appropriate amendments, and I then conclude that the matter cannot be adequately dealt with in my report, I will not issue any report and will withdraw from the engagement, and will notify you in writing of the reasons.

As part of my normal procedures, I may request you to provide written confirmation of any information or explanations given by you orally during the course of my work.

**Fees**

I am prepared to waive my fee for this examination.

**Confirmation**

Once it has been agreed, this letter will remain effective until it is replaced or until I cease to hold the position of independent examiner. I shall be grateful if you will kindly confirm your agreement to the terms of this letter by arranging for the signature, and return, of the attached copy, or let me know if the terms of this letter are not in accordance with your understanding of my terms of appointment.

Yours faithfully,

**[Signature and name of independent examiner]**