

STRICTLY PRIVATE AND CONFIDENTIAL

[DATE]

Dear []

Liverpool Business School Accounting Clinic

Client Reference Number:

By accepting this appointment, you are confirming that:

- i) You are classed as a charitable organisation;
- ii) Your charity has a gross income of more than £25,000 per annum but no more than £250,000 per annum;
- iii) Nobody within your charity has any personal relationships with any member of the Liverpool Business School which could be deemed as or arise to a conflict of interest; and
- iv) No member of the Liverpool Business School has any involvement with your charity.

This letter and the terms within it are only valid for 12 months from the date of this letter. If you require further services from Liverpool Business School in the future, you would be required to sign a new letter.

There is further information enclosed with this letter about what you can expect from your appointment which are;

- Privacy Notice- please sign this document and bring it with you to your appointment
- Pro Bono Policy- this is for information purposes only and you are not required to sign it.

You can contact the Accounting Clinic accountingclinic@ljmu.ac.uk, if anything is unclear.

Yours sincerely,

The Accounting Clinic

LIVERPOOL BUSINESS SCHOOL ACCOUNTING CLINIC – INFORMATION FOR CLIENTS

Who are we?

The Accounting Clinic as part of the Liverpool Business School at Liverpool John Moores University is a pro-bono service offering charitable organisations independent examinations. Clinics are led by our second year and final year students and are supervised by academic staff that are qualified accountants.

It is important to note that independent examinations are not an external audit and therefore is only limited assurance work. Several universities have established an Accounting clinic and offer independent examinations to charities in their area.

What do we offer?

The Accounting Clinic offers independent examinations to charitable organisations. An independent examination is a form of external scrutiny that provides a limited check on specific matters. UK Charity Law requires all charity trustees to prepare accounts for their charity. The trustees of registered charities must also prepare a trustees' annual report (the report). The report and accounts tell donors and others interested in the work of the charity what the charity is set up to do, what it has done in the year and how it raised and spent its money.

This limited form of check (sometimes referred to as 'negative assurance') contrasts with an audit. The examiner is only required to confirm whether any material matters of concern have come to their attention, whilst an auditor is required to provide an opinion on whether a charity's accounts give a 'true and fair view'.

An independent examination involves a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also involves a review of the accounts and the consideration of any unusual items and/or disclosures provided. The examiner must also consider whether any matters of concern have come to the examiner's attention as a result of the independent examination that should be included in their report to enable a proper understanding of the accounts to be reached.

If required we can assist with accounts preparation, however this must be discussed and confirmed in our initial boarding conversation. This is permitted, provided that as your examiner we will not be involved in maintaining the charity's accounting records or in the day-to-day management of the charity. The trustees must retain oversight of their trustees' annual report and accounts and request any amendments that they consider necessary.

What can you expect when you attend your Accounting Clinic appointment?

You will meet with student advisor(s) from the Liverpool Business School, as well as a supervising qualified accountant from the accounting and finance programme team to discuss the independent examination requirements, timeframes and completion of the necessary independent examination report.

Our student advisor(s) will examine the receipts and payments/accruals accounts for the year ended [XXXX]. All work carried out by students will be supervised and reviewed by an academic member of staff that is a fully qualified accountant

The work will be carried out in accordance with the general directions setting out the duties of an independent examiner issued by the Charity Commission under section 145(5)(b) of the Act.

What are the risk factors?

For the university: This is very low risk work, it is internal work which entails providing advice on how systems could be enhanced. It is not an external audit and therefore is only limited assurance work. Several universities have established an Accounting Clinic and offer independent examinations to charities in their area.

For the student: There is no risk for the student. Students will be covered by the University's professional indemnity insurance.

For academic staff: the work is low risk advisory work. It would include a report that would provide ways in which internal systems and controls could be enhanced. It would require a qualified member of staff to sign-off the report.

An independent examination of a charity's financial statements is a less onerous form of scrutiny than an audit carried out in accordance with auditing standards. Our work will include:

- i) A review of your charity's accounting records and a comparison of the financial statements with those records
- ii) An analytical review of the financial statements to identify any unusual items, unexpected fluctuations or inconsistencies with other financial information;
- iii) An assessment of any significant estimates or judgements that have been made in preparing the financial statements;
- iv) An assessment of whether the accounting policies adopted are appropriate, conform with fundamental accounting concepts and have been applied consistently; and
- v) A review of events subsequent to the year end.

If we have any reason to believe that the financial statements may be materially misstated, we will seek explanations from you and may carry out verification procedures. These could include the verification of transactions, discussions with treasurer/trustees.

We will not be responsible for any use which may be made of the services provided by the Accounting Clinic or Liverpool Business School under this letter, or of the results of the provision of the services, nor for any reliance, which may be placed on such services or any deliverables, nor for advice or information given in connection with them. Our work cannot be relied on to identify the occasional omission or insignificant error, or to disclose breaches of trust, statute, neglect or fraud that may have taken place and which it is your responsibility to guard against. You will indemnify and hold harmless Liverpool John Moores University in respect of any claims (including third party claims) arising from your use of the services or deliverables.

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

As part of our normal procedures, we may request you to provide written confirmation within five business days of any information or explanations given to us orally during the course of our work.

All discussions with our student advisors and academic staff are **strictly confidential**, save for any requirement by law or regulation to disclose information to any regulatory, judicial, governmental or similar body or any taxation authority of competent jurisdiction, and any documents or copy documents you give us are kept securely at the Clinic premises. We will keep all records relating to your matter for 7(seven) years before disposing of them securely.

Please note that this service is provided by the Liverpool Business School free of charge and the Liverpool Business School have adequate insurance in place to provide this service.

As with all our cases, we will keep your records for 7 years before disposing of them securely.

What if I have a complaint?

We hope you will be pleased with the service the Accounting Clinic provides. However, if you do wish to complain you should contact in the first instance:

Dr Adam Shore, Director of School of Business and Management

Redmonds Building, Brownlow Hill, Liverpool, L3 5UG

a.shore@ljmu.ac.uk

In the first instance we envisage all complaints to be managed locally by the Liverpool Business School and Accounting Clinic.

If your complaint is not resolved to your satisfaction, you can bring matters to the attention of:

Rachel Power, Head of Legal, Liverpool John Moores University, Exchange Station, Tithebarn Street, Liverpool, L2 2QP

All complaints will be recorded and kept on file for 7 years. The recording of complaints will enable us to monitor them and improve our service to clients in the future.

Please note you are entitled to access any personal information the University holds on you. For more information contact the Data Protection Officer at DPO-LJMU@ljmu.ac.uk. More information on how we use your personal data is set out in the attached Privacy Notice.

I confirm that I have read and understood the above terms and that I am authorised to sign on behalf of the Client.

Signed:

Date:

Name:

Name of Charity: