

RI status and eligibility – a reminder

There have been a number of instances on recent monitoring visits in relation to eligibility as a Responsible Individual; and a number of further queries in relation to the ‘audit qualification’.

Eligibility requirements – the ‘audit qualification’

Where an audit firm is not a sole practice, then each principal must be a member of ICAS, ICAEW, CAI, ACCA or be an approved Affiliate.

The firm must also ensure that individuals who have the audit qualification hold at least a **majority** of the voting rights and at least the majority of the voting rights in the management board, to enable them to direct the firm’s overall policy. It should be emphasised that 50% voting rights is not sufficient to meet these requirements.

Additionally, to become an auditor in the Republic of Ireland (RoI) or an auditor of RoI companies, SI 312 (of 2016) requires at least a majority of persons in the management board/committee to hold the audit qualification.

The ‘audit qualification’ must have been obtained from an RSB, which in the UK and ROI refers to the three Institutes and ACCA. This is awarded where an individual has achieved sufficient knowledge and supervisory experience in audit, through examination and work experience gained within an Authorised Training Office.

Initially, the audit qualification was automatically awarded, however the requirements were changed by the 1989 Companies Act, meaning that, since the 30th September 1991, the qualification must be applied for. This is obtained through providing evidence of UK audit experience by recording of such in the ICAS Achievement Log, including at least 210 days of UK audit experience. Individuals who held an appropriate qualification under the previous legislation are ‘grandfathered in’.

Only a member holding the audit qualification counts towards the control percentage as stipulated in the Audit Regulations. An individual does not, however, have to be a Responsible Individual (RI).

It is important to still note, however, that **the audit qualification is not sufficient to authorise an individual to sign audit reports**, and this can only be done by those who have been approved as a Responsible Individual.

Responsible Individuals (RIs)

The granting of a practising certificate, admission to partnership, becoming an Affiliate or even just writing to ICAS does not automatically approve someone to sign audit reports.

Anyone who intends to sign an audit report under the firm’s ICAS audit registration must first need to ensure that their firm has submitted, and ICAS has approved, a Responsible Individual (RI) application. RIs should only sign audit reports after receiving confirmation of approval from ICAS.

This applies regardless of the person’s membership body. For example, an ACCA member holding a “PCAQ” Practising Certificate, and who is wanting to act as an RI in an ICAS audit registered firm, must still apply and become approved as an RI by ICAS first – the PCAQ itself confers no rights to audit any clients in an ICAS audit registered firm.

All audit reports, therefore, which are signed by an ICAS firm, are required to be signed by an individual who can demonstrate that they have met the necessary criteria and is suitably qualified and experienced to sign such a report. The individual must not undertake the role of an RI or any activities of an RI until they have received notice from ICAS that the RI application has been successful.

A very important point is that RI status is attached to the firm's audit registration and is not portable. An individual moving firm cannot automatically continue to act as an RI in a different firm. If you move firm, your new firm must apply for you to hold RI status.

Guidance to those applying for RI status

In applying for RI status an individual must demonstrate that they have met the necessary criteria and that they are suitably qualified and experienced to act in this capacity.

The requirements under the Audit Regulations

Audit Regulation 4.01 states that a firm's audit compliance principal may designate as a RI any of the firm's principals or employees who:

- has an appropriate qualification (i.e. the audit qualification);
- is competent to conduct audit work; and
- is allowed to sign audit reports in their name on behalf of the firm.

When completing the application to become an RI, each applicant is asked to provide details of their skill set and audit experience in the previous 24 months. If the applicant's recent audit experience is not considered to be sufficient by the Authorisation Committee, there are two courses of action that may be adopted:

1) Conditions

Conditions may be placed on the granting of the RI status, such as:

- initial assignments as an RI are to be subject to a hot file review, and/or
- further audit training specified by the Authorisation Committee is undertaken during the forthcoming year.

2) Gain further experience before reapplying

The applicant may be asked to withdraw their application and to gain further experience before reapplying. Further experience may be gained by:

- Attendance at relevant audit training courses; and/or
- Mentoring with an auditor/RI.

It is important that when applying for RI status, the individual does not undertake the role of an RI or commence signing of audit reports until they have received confirmation of approval from ICAS.

Firms are advised to plan in advance and allow sufficient time for the application and approval process, where possible.

Audit sampling – ISA (UK) 530

Audit sampling provides an efficient and practical audit approach, however there are inherent risks, where:

- **the sampling method used is not sufficiently robust;**
- **the sample is not representative of the entire population; or**
- **that sample sizes have been reduced to an inappropriate level based on perceived comfort obtained elsewhere.**

ICAS Audit Monitoring have encountered a large number of issues on recent monitoring visits with regards the documented justification of audit samples. Common issues identified include:

- insufficient documentation of the sample size basis;
- using 'judgmental sampling', with no justification of the judgments taken;
- a lack of support of the risk assessment as a contributing factor; and
- selecting items within a population due to accessibility.

In a number of instances these matters can be easily addressed by effectively using sampling plans within a firm's audit programmes; ensuring that the samples are based on appropriate criteria; and recording this in sufficient detail on the audit file.

There have however, been a number of serious issues recently which has impacted the level of audit evidence obtained, specifically firms reducing sample sizes due to:

- reliance on controls, where tests of control have not been sufficiently carried out; or
- substantive analytical review, where the extent of the analytical review is not sufficient to justify such an approach.

Often it is the case that this work has simply not been completed, often through a misunderstanding of when and how an auditor can rely on controls; and the definition and process of substantive analytical review under ISA (UK) 520.

In more marked cases, this has resulted in ICAS AM concluding that there is a lack of evidence over a particular balance or assertion, often impacting the significant areas of testing such as completeness of income; and existence and validity of purchases.

Where ICAS AM identify evidence issues on an audit file as a result of insufficient sample sizes, the matter is often systemic and will be replicated across a large number of files.

When can it be appropriate to reduce sample sizes based on controls reliance or analytical review?

Reliance on internal controls

ISA (UK) 530 states that sampling risk can lead to an erroneous conclusion in the case of a test of controls, where it is perceived that the control is more effective than it

Substantive testing may be reduced in some areas by placing reliance on internal controls, however in order to achieve this the auditor must perform an appropriate test to assess the operating effectiveness of the relevant control and determine whether the control has been properly designed to prevent or detect a material misstatement in the financial statements.

The more common types of controls selected for testing include authorisation of transactions; reconciliation procedures; and assessment of segregation of duties. ISA (UK) 530 provides a significant level of guidance regarding the determination of sample sizes, and the consideration of the impact of reliance from other areas of the audit engagement, including determination of tolerable misstatement; and the consideration of risk in determining whether a smaller or greater sample size is required.

Put simply, there must be a formal control in place to test. In addition, the control must be attributable to the assertions being tested – for example, you could not assume a control designed to safeguard authorisation of a transaction or balance would also provide comfort or evidence over completeness. Often, where controls testing has been utilised, testing of one control is used to inappropriately reduce the sample size across all assertions within that balance.

Common issue – where the auditor has completed walkthrough tests as part of systems confirmation work, often this is either assumed to represent a test of control or used to conclude that controls can be relied upon for the purposes of reducing sample sizes.

Under the ISAs neither approach is correct, and firms are reminded that work performed of this nature is solely to conclude over whether the system operates to the auditor's understanding and cannot be relied upon for the purpose of providing audit evidence.

Substantive analytical review

Analytical review can be a valuable substantive audit procedure; however, it can often be the case that the reviews performed by firms are not sufficient to meet the definition of substantive procedures and, as such, should not be relied upon for the purpose of reducing sample sizes.

As a brief reminder, in order for this review to be robust, there are considerations to be addressed by the audit team and a well performed analytical review will address the following key steps:

- Build an expectation – this should be based on reliable data, and therefore if the firm uses last year's figure then they should justify why they consider this to be reasonable and not to have fluctuated in any way.
- Compare with actual values – this will enable levels of variance to be determined and, if material, whether these should be investigated.
- Corroboration of explanations – once the difference has been quantified, these should be independently verified, including corroboration of management's explanations.

Without these steps the analytical review does not meet the definition of 'substantive' under the standard. Note that substantive analytical review, by its nature requires a significant amount of corroboration of management explanations, often by way of detailed testing which must be documented fully in line with ISA (UK) 230. A very basic worked example is set out below:

Substantive Analytical Review – a very basic worked example (Sales)

Step 1 - Build an expectation

Based on discussions with management, a review of their budget, a review of management sales reports and a review of available industry data, sales are expected to increase between 10% and 15%. The client has two products, gizmos and widgets. Unit sales of gizmos are expected to remain flat and widget sales are expected to increase by 11% due to units sold. This is consistent with historical growth trends.

In order to assess underlying data, the figures were agreed to prior year financial statements and work papers and the budget was reviewed to gain an understanding of how management derived the assumptions underlying it.

Step 2 - Compare expectation with actual

	Period ended		Period ended		Variance	
	30/09/17		30/09/18		£ 000	%
Sales	£000		£000			
Gizmos	63,000	79%	69,300	78%	6,300	10%
Widgets	17,000	21%	20,000	22%	3,000	18%
Total Sales	80,000	100%	89,300	100%	9,300	12%

Investigate variance in sales of Widgets as the movement is higher than that expected and may increase the risk of overstatement of sales.

Step 3 - Enquire into and corroborate significant variances

Discussion was held with management, who also gave some information on the sale of Gizmos, which has given further detail on total sales.

GIZMOS - In the prior year, the company sold 90,000 gizmos at £700 each for a total of £63 million. Sales of gizmos remained flat, but the client passed on a price increase over the prior year of 10%, resulting in revenues of £69.3 million. **The audit team has corroborated that the price has increased by 10% against the prior year comparative through review of board minutes, sales invoices and sales contracts. The nature, extent, and timing of this work has been fully documented at schedule X.X**

WIDGETS - Prior year sales of widgets were 10,000 units at a price of £1,700 each, for total sales of £17 million. The number of widgets sold increased by 11% over the prior year, but there was no price increase, to increase widget sales to approximately £18.9 million. Per discussion with the Controller, the additional increase in widget sales is due to a new model of widgets that began selling in the third quarter. **The audit team has corroborated this new model of widgets through review of board minutes, marketing material, sales invoices and sales contracts. The nature, extent, and timing of this work has been fully documented at schedule X.X**

Consideration will be given to increasing the level of substantive testing on Widgets to further corroborate the increase in sales and to address the risk of overstatement.

Common issue – where the auditor has completed the preliminary analytical review process or a basic variance analysis and assumed that this is either sufficient to reduce the sample size; or there has been a misunderstanding of the difference between preliminary analytical review (ISA (UK) 315) and substantive analytical procedures (ISA (UK) 520).

It is important to understand the role of analytical review through the audit file and how it impacts the risk assessment evidence gathering and financial statement review processes. ICAS AM recommends these areas as regular topics of revision in training plans of RIs and audit staff.

Other sampling issues

There have been a number of other sampling issues which ICAS AM have identified across our visits in the last year, including:

Sample not representative of an entire population – where a sample has been calculated for a specific test, however the auditor has omitted one or more material balances within that population for testing. We see this happening most often in the directional testing of sales / income and purchase / expenditure, and specifically where the audit team has focussed on a prominent category within that population – using the figures from the worked example above, where a substantive test for completeness of turnover has been performed, however the auditor has focussed solely on testing ‘Gizmos’ and ignored ‘Widgets’ from the sample.

Following on from this issue, we have reviewed files where sample bias has resulted in a lack of testing or evidence over entire categories of sales and purchases.

Example – on an ICAS AM visit we reviewed the audit of a company which sold and maintained specialist machinery. In testing completeness of machinery sales, the auditor had removed key items from the sample, with the purpose of testing all key items plus a sample from the residual population. At the end of key item testing the auditor decided that a representative sample of the population had been tested and ‘stopped’ the test.

ICAS AM noted that in doing this, the auditor had only tested new machine sales, and had ignored used machine sales which represented 30% of the company’s turnover and which were actually maintained under a different invoicing system.

Splitting the sample across one or more assertions – there have been issues on files where a sample has been calculated but has been split inappropriately across assertions, for example where a sample to test turnover is calculated of 30, and the auditor goes on to test 10 items for completeness; 10 items for cut-off; and 10 for existence.

In these instances, ICAS AM will often conclude that a lack of evidence has been obtained over one or more assertions, and it is therefore important to ensure the calculated sample is applied appropriately.

Why are my sample sizes so high?

This is a question we are asked frequently on audit monitoring visits, and not one we can often answer where the auditor has used and followed a specific methodology correctly. From our reviews, there are some common areas to be considered:

- Risk assessment – whether the correct risk factor has been applied to the sample size calculation under the methodology;
- Materiality – whether the materiality or performance materiality figure is appropriate;
- Key item testing – whether key items can be extracted and tested from the population which may reduce the residual population and sample.

The importance of the review process

The most important consideration in ensuring adequate sample sizes, is the review process, in particular where the original sample calculation has been made by a more junior member of the audit team. The RI and manager review processes should be robust enough to identify inappropriate sample calculation or justification at the planning stage. The process should also identify, in a timely manner, where an insufficient sample size has been used during fieldwork, to allow further testing to be completed before signing the audit report.

FRC review of 2016 Auditing Standards

The Financial Reporting Council (FRC) is consulting with stakeholders to determine how effective the changes to ethical and auditing standards in 2016 have been in delivering high quality audit, and whether further steps are now needed to strengthen auditor independence, reduce conflicts, improve quality and preserve trust in independent audit.

The aims of the review of the standards are to:

- gather feedback on whether the changes made to standards have had the desired impact on auditor independence, prevention of conflicts and on audit quality. Responses to the call for feedback will supplement lessons learned from the FRC's own audit inspection and enforcement work;
- consider whether further measures are needed to address weaknesses, and ensure that audit better meets the expectations of those who rely on it; and
- consider whether auditor reporting and communication with those charged with governance could be further strengthened to better meet the needs and expectations of users.

A copy of the consultation document can be found [here](#).

FRC highlights where reporting by 'smaller companies' needs to improve

According to a new report by the Financial Reporting Council (FRC), Smaller Listed and AIM Quoted Companies, should provide more specific disclosures of significant accounting judgements and more quantitative information on key sources of estimation uncertainty.

The FRC reviewed the reports and accounts of 40 smaller listed and AIM quoted companies to consider:

- Alternative performance measures (APMs) and Strategic Reports;
- Pension disclosures;
- Accounting policies, including critical judgements and estimates;
- Tax disclosures; and
- Cash flow statements.

The topics were selected from previous FRC thematic reviews, which focused on larger companies, and other aspects identified through the FRC's regular monitoring activity. While the review identified some good examples of 'smaller company' disclosures, it also identified several areas requiring improvement, and recommendations including:

- Provision of more specific disclosures of significant accounting judgements and more quantitative information on key sources of estimation uncertainty; and
- Ensuring that the classification of cash flows complies with IAS 7 'Statement of Cash Flows'; and
- That all sections of the report present APMs in a balanced and transparent manner.

The report is relevant to all preparers of accounts and auditors as these findings are similar to the FRC's conclusions from its review of the UK's larger companies and can be found on the [FRC website](#). Firms may find the 'reminders' section of the report particularly helpful in reviewing reports and accounts

Amendments to the Charities SORP - Update Bulletin 2

The Office of the Scottish Charity Regulator (OSCR); The Charity Commission for England and Wales ('Charity Commission'); and The Charity Commission for Northern Ireland ('Charity Commission NE') have published a further 'Update Bulletin 2' which amends the Charities SORP (FRS 102) as a result of changes to UK Accounting Standards.

The Bulletin updates the Charities SORP (FRS 102) ("the SORP") issued in July 2014 for the triennial review amendments to FRS 102 issued by the FRC in December 2017. The amendments have been split into three categories:

- Clarifying amendments – amendments to the SORP which ensure consistency with existing requirements of FRS 102 and applicable to reporting **periods beginning on or after the date of the publication the Bulletin (i.e. p/c 4th October 2018)** standard;
- Significant amendments - amendments which are considered to be more significant and likely to have an impact on the accounts of charities and applicable for **reporting periods beginning on or after 1st January 2019**; and
- Other amendments - amendments which are editorial in nature or considered to be less significant and likely to have an impact on the accounts of only a limited number of charities. These amendments are applicable for **reporting periods beginning on or after 1st January 2019**.

A summary of the main clarifying and significant amendments are set out in the following tables:

Clarifying amendments

SORP module	Nature of amendment
Module 3: Accounting standards, policies, concepts and principles, including the adjustment of estimates and errors	Clarification of the existing requirement for comparative information
Module 5: Recognition of income, including legacies, grants and contract income	<p>The SORP is therefore amended to clarify the recognition of payments by subsidiaries to their charitable parents that qualify for gift aid. Per the Bulletin, FRS 102 requires:</p> <ul style="list-style-type: none"> (i) such gift aid payments to be accounted for consistently with dividends; and (ii) dividends to be recognised when the shareholder's right to receive payment is established. <p>The Bulletin provides that the parent charity's right to receive payment is established when the subsidiary has a legal obligation to distribute its profits to its owners at the reporting date. Therefore, the gift aid payment shall not be accrued in the individual accounts of the parent charity unless a legal obligation for the subsidiary to make the payment exists at the reporting date.</p> <p>Note that the the triennial review provisions in this regard under FRS 102 are not mandatory until periods commencing 1 January 2019 (not p/c 4th October 2018). Early adoption is not permitted for Scottish Charities (including cross-border charities) however for other UK charities they can be adopted</p>

	earlier and separately from the other triennial review amendments. From an audit perspective, firms should ensure consistency of treatment between the parent charity and subsidiary.
Module 10 - Balance sheet – depreciating assets	The SORP is amended to remove the undue cost or effort exemption for depreciating assets comprising of two or more major components which have substantially different useful economic lives.
Module 13 - Events after the reporting period	<p>The SORP is amended to clarify when payments by subsidiaries to their charitable parents that qualify for gift aid are adjusting events which occur after the end of the reporting period.</p> <p><i>A gift aid payment from a subsidiary to its parent charity is accounted for as a distribution to owners, FRS 102 does not allow these payments to be recognised as a liability at the end of the reporting period unless a legal obligation for the subsidiary to make the payment exists at the reporting date (for example by entering into a deed of covenant).</i></p>

Significant amendments

SORP module	Nature of amendment
Module 10 - Balance sheet – Investment property	<ul style="list-style-type: none"> • Introduction of an accounting policy choice which allows charities that rent investment properties to other group entities to measure those investment properties either at cost (less depreciation and impairment) or at fair value; • A complimentary disclosure requirement where the charity has chosen to account for such property using the cost model; and • Removing the undue cost or effort exemption for measuring the investment property component of a mixed-use property at fair value and include additional guidance on when the different components of the property should be separated.
Module 10 - Balance sheet – Stock	Removing the disclosure of stock recognised as an expense.
Module 14 – Statement on cashflows	Introducing the requirement for a reconciliation of net debt to be prepared as a note to the statement of cash flows. An example disclosure is included at Table 10A to the SORP.
Module 27 – Charity merger	<p>Including the transfer of activities to a wholly owned subsidiary undertaking as an example of a charity reconstruction that may be accounted for as a merger (provided the use of this method is not prohibited by company law or other relevant legislation).</p> <p><i>This reflects an example of a common reconstruction in the sector i.e. where a subsidiary entity is established to</i></p>

	<i>undertake non-charitable trading activities previously undertaken by the parent charity.</i>
Glossary update	Inserting definition of the term 'service potential'.

There are a number of further optional amendments as set out in Section 5 to the bulletin.

As noted above, early adoption is not permitted for Scottish Charities (including cross-border charities). For all other UK charities, provided it would not be contrary to charity or company law, early application is permitted of 'significant' or 'other' amendments, provided all amendments in both sections are applied at the same time.

A copy of the bulletin can be downloaded from the SORP website at www.charitySORP.org

Updated SORP for Registered Social Housing providers in the UK

The National Housing Federation (NHF) has published an updated SORP setting out revised guidance for accounting for registered social housing providers in the UK.

The updated SORP reflects the triennial review amendments to FRS 102 issued by the FRC in December 2017. The key changes include:

- Clarifying what is included and excluded from operating surplus;
- Removing the "undue cost or effort" exemption in valuing investment properties;
- Allowing an accounting policy choice to carry property rented to other entities at either cost or fair value; and
- Drawing attention to the requirement to include a net debt reconciliation as part of cash flow disclosures.

The revised SORP is effective for accounting periods beginning on or after 1 January 2019. As mentioned previously, early adoption is not available to registered social landlords which are also registered in Scotland with OSCR by SSI 344 of 2018.

Copies of the SORP are available from on the NHF website (www.housing.org.uk)

Updates to the Pension SORP 2018

The Pensions Research Accountants Group (PRAG) has published a revised Pensions SORP 2018 to bring the current guidance in line with the latest version of FRS 102.

A key change is introduced in relation to going concern – specifically in the situation where there are no material uncertainties regarding a matter in relation to going concern, but further disclosure is required in order for the financial statements to give a true and fair view. For example, where a scheme is in the Pension Protection Fund (PPF) assessment period and is expected to leave the assessment period and continue as a closed scheme.

Specifically, in relation to the PPF, there is:

- Confirmation that, where pension scheme accounts are being prepared for the PPF assessment period, disclosures for investments must follow the Pension Protection Fund (Valuation) Regulations 2005; and
- Expanded guidance around the circumstances that schemes may find themselves in when entering the PPF assessment period.

Earlier in 2018, the Pensions Research Accountants Group (PRAG) published guidance to assist trustees and auditors in developing a practical and proportionate response to dealing with the issues of going concern when auditing pension scheme financial statements. A copy of this guidance can be found on the PRAG website (www.prag.org.uk)

Firms may also wish to refer to the FRC Practice Note 15: The audit of occupational pension schemes in the UK (www.frc.org.uk)

Further key changes include:

- A reminder of the requirements of FRS102 as regards comparative information;
- Confirmation that the SORP 2018 does not believe the Small Entities regime set out by FRS102 is applicable or relevant to pension scheme financial reporting;
- Clarification of the accounting treatment of benefits where member decisions are pending at the period end;
- Removal of the transitional option to use categories a, b, and c from investment fair value hierarchy disclosures (the SORP 2018 now requires the use of levels 1, 2 and 3);
- A revised definition of related parties in line with FRS102

The revised SORP is effective for accounting periods beginning on or after 1 January 2019, although early adoption is permitted.

Copies of the SORP are available from the PRAG website (www.prag.org.uk). PRAG has also published an accompanying briefing note setting out some of the more significant amendments.

An update for ATOL Reporting Accountants

- **A new EU Directive has introduced changes to the Air Travel Organiser's Licence ATOL regulations with effect from 1 July 2018.**
- **The CAA has also updated its online training for Accountable Persons (APs) & ATOL Reporting Accountants (ARAs).**
- **The Civil Aviation Authority (CAA) has developed an online portal for submission of renewal applications and returns.**

Changes to ATOL regulations

The introduction of a new EU Directive, (EU) 2015/2302, on package travel and linked travel arrangements (PTD), means that there are changes to the Air Travel Organiser's Licence ATOL regulations with effect from 1 July 2018. This has led to reporting changes for ATOL holders, and ATOL reporting accountants (ARAs) need to be aware of, and understand, these changes when reporting to the CAA.

The key changes include the following:

- Small business ATOLs (SBAs) are now required to report to the CAA on a quarterly basis (previously annual), bringing them in line with other ATOL holders.
- The deadline for submitting annual accountants' reports (AARs) for all ATOL holders and ARAs has been increased from six months to nine months following the ATOL holder's financial period end or its ATOL renewal date, whichever is the earlier.
- ATOL licensable packages are now defined as single-contract or multi-contract packages, i.e. the consumer has either one contract for all their travel services that are part of the package, or they have more than one contract for all their travel services that together are part of the package. As of 1 July 2018, the old category of flight-plus does not exist and no further bookings for this

category can be taken. The definition of package can be found on pages 27/28 of Guidance Note 10: Requirements for ATOL Reporting Accountants.

- Other changes mean that the CAA will be able to share the AARs with the professional accountancy body that has designated the ARA, to enable that professional accountancy body to use actual case studies for the sole purpose and use in their assessment of the continuing designation of that ARA.

Transitional arrangements are in place so that ATOL Holders will not need to amend their licensable categories until their next renewal date.

The CAA has also updated its online training to reflect the recent changes to the ATOL Regulations. At this stage, it will not be a requirement for those who have already passed the course to retake the updated one, however we would encourage ARAs to complete the course to ensure they are aware of the key changes and to continue to be aware of their role and responsibilities.

The full extent of the changes can be found in Guidance Note 10: Requirements for ATOL Reporting Accountants, published as an Appendix to Official Series Record (OSR) 3 [http://publicapps.caa.co.uk/docs/33/2018ORS3_080618_V7\(complete\).pdf](http://publicapps.caa.co.uk/docs/33/2018ORS3_080618_V7(complete).pdf)

ICAS is currently updating its guidance for ATOL Reporting Accountants.

Online portal for ATOL

The CAA has developed an online portal for ATOL that provides the ability for all ATOL holders to submit renewal applications, variations and APC returns online. From December 2018 all ATOL holders that renew their licence in March 2019 will be able to submit their renewal application via ATOL Online.

ATOL reporting accountants (ARAs) will also be required to submit their returns via the same portal. We recommend that you check your records with the CAA to ensure that they hold current details of your ARA.

Should you have any questions on ATOL, or ARA responsibilities, the CAA website contains FAQs and a link to Guidance Note 10: <https://www.caa.co.uk/atol-protection/trade/maintain-and-renew-your-atol/atol-reporting-accountants-scheme/>