

# [Press release: Reporting matters of material significance: guidance for auditors and examiners](#)

The [revised list of matters of material significance](#) is intended to assist auditors and independent examiners in meeting their reporting requirements to the charity regulators.

The new guidance adds 2 new areas for reporting:

1. If an auditor has concerns regarding a charity's accounts and issues a modified audit opinion report or qualified independent examiner's report.
2. Where an auditor has concerns that conflicts of interests or related party transactions have not been properly managed or declared.

The list has been published by the Office of the Scottish Charity Regulator (OSCR), the Charity Commission for England and Wales (CCEW) and the Charity Commission for Northern Ireland (CCNI).

In all 3 jurisdictions, auditors and examiners have a legal duty to report matters of material significance to the regulator. In order to assist them in this duty there was previously a list of matters which had been prepared jointly by OSCR and CCEW.

Recognising that a number of years had passed since the original list was developed and also that the regulator in Northern Ireland was now also in operation, a decision was taken to refresh the list, considering carefully the regulatory experience to date.

A revised list of matters was prepared and [consulted on from May to September 2016](#). Consultation feedback was fully considered and a final list has now been developed. The new list of 9 matters of material significance includes 2 new matters (matters 8 and 9) that need to be reported and removes one requirement to report ([see 'Notes to editors'](#)).

The [updated list](#) can be viewed on GOV.UK.

**Nigel Davies, Head of Accountancy Services at the Charity Commission of England and Wales, said:**

Auditors and examiners play a vital role in supporting us to carry out our regulatory functions. We have, as regulators, reflected on our experiences to date and it is clear that not all auditors and examiners have been reporting matters to us. We hope that by providing an updated list auditors and examiners may be clearer in their duties. We urge auditors and examiners to read this updated list of matters which has been informed by our regulatory work to

report and continue to report these serious issues to the regulators.

**Laura Anderson, Head of Professional Advice and Intelligence at the OSCR said:**

The revised list of matters has been drawn from our experience as regulators. We have been greatly encouraged by the level of feedback we have received through our consultation, which has allowed us to refine the list, ensuring it meets both the needs of the regulators as well as examiners and auditors.

**Myles McKeown, Head of Compliance and Enquiries at CCNI said:**

As a relatively new regulator the list of matters of material significance will be of great assistance to auditors and examiners in our jurisdiction. We have welcomed the opportunity to work together with colleagues in CCEW and OSCR in developing and publishing the final list.

Ends

PR 32/17

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#### **Notes to editors**

1. Matter 8 from the previous list of matters to be reported has been removed. This is due to the fact that this led to auditors and independent examiners advising the regulator where they had simply ceased to hold office. Where ceasing to hold office occurs due to a reportable matter this is covered by an alternative matter.
2. Matter 8: "Any notification or matter reported to the trustees on resigning as independent examiner or matter that the examiner is aware of on resignation or ceasing to act that falls within the categories of the previously set out reportable matters, or for examiners the notification on ceasing to hold office or resigning from office, of those matters reported to trustees".
3. Under legislation in England and Wales, Scotland and Northern Ireland, auditors and independent examiners have a duty to report certain matters to their respective charity regulators. Although the legislation varies in each jurisdiction the broad requirement is that where an auditor or independent examiner becomes aware of any matter, through the course of their work, which they believe is of material significance for the regulator in the exercise of their function.
4. The [Office of the Scottish Charity Regulator \(OSCR\)](#) is the independent regulator and registrar of Scotland's 23,500 charities and publishes the

Scottish Charity Register at [www.oscr.org.uk](http://www.oscr.org.uk). Our vision is for charities in which the public has confidence and which provide public benefit.

5. The [Charity Commission for Northern Ireland](#) is the independent regulator of charities in Northern Ireland, established under the Charities Act (Northern Ireland) 2008, responsible for ensuring Northern Ireland has a dynamic and well governed charities sector in which the public can have confidence.
6. [The Charity Commission](#) is the independent regulator of charities in England and Wales. To find out more about our work, see our [annual report](#).