

Friendly and Industrial and Provident Societies

What do you need to know about this manual?

These guidance notes and programmes have been developed to enable the auditor to:

- understand what the accounting and reporting requirements of each society are;
- satisfy the requirements of the various legislative requirements;
- comply with all the auditing or reporting accountants' standards; and
- provide the society with a comprehensive but cost effective service.

Types of society

Users will be aware that there are a wide range of different societies subject to different requirements. Definitions of the different societies are provided in section 1.4 of the guidance notes and these are used throughout this manual.

Appendix 1 to chapter A provides more detail on the different societies and this will help the user decide what type of society they are acting for and therefore which legislative and regulatory framework applies.

What does this manual include?

This manual is designed to supplement the firm's standard audit, audit exemption and accounts' preparation documentation.

Due to the wide range of societies coming under the heading of this manual, comprehensive guidance cannot be provided for each different type of society. In particular, if users act for a society which is a Club, Registered Social Landlord or a Charity then the appropriate Specialist Assignment Manuals covering these areas should be utilised.

Friendly Societies requiring actuarial investigations annually (ie. those undertaking long term insurance business) are beyond the scope of this manual.

Users should note that under the FSMA2000 (IPRU (INV (Appendix 13(1))))), Friendly Societies are not allowed to be personal investment companies. Any user dealing with a personal investment company should use the FSA (DIF) Specialist Assignment Manual.

This manual consists of seven main parts as detailed on the contents page.

- The guidance notes in the section A provide a useful interpretation of the legislation and regulations.
- Example engagement letters and audit and accountant's reports are provided for societies as detailed in sections B and C.
- The accounts disclosure checklists in section E should be used in conjunction with standard accounting standards disclosure checklists as indicated.
- The supplementary programmes in sections F and G cover specialist requirements for Friendly Societies, Credit Unions, Industrial and Provident Societies, Other Societies and Audit Exempt Societies. These are designed to be used in conjunction with standard true and fair audit documentation or accounts preparation programmes.
- The Creator documents in section H enable you to produce client specific versions of the programmes contained in sections E, F and G.

What else do you need?

Auditors of Friendly Societies will need:

- copies of the Acts as detailed in section 3 of the guidance notes;
- the Friendly Societies (Accounts and Related Provisions) Regulations 1994;
- the ICAEW technical release TECH 12/99;
- Practice Note 24, the Audit of Friendly Societies in the United Kingdom;
- the Friendly Societies Interim Prudential Sourcebook (IPRU FSOC) from the FSA;
- the Integrated Prudential Sourcebook (PRU) from the FSA;
- the tailored handbook for small Friendly Societies (SFSOC) from the FSA;
- the Credit Union sourcebook from the FSA;
- SORP - Accounting for Insurance Business, issued by the Association of British Insurers.

Auditors of Industrial and Provident and Other Societies will need:

- copies of the Acts as detailed in sections 2 and 3 of the guidance notes;
- a copy of SI 1996/1738 (audit exempt societies);
- The Deregulation (Industrial and Provident Societies) Order 1996.

Training

Whilst no training is needed in order to use the manual, we run a number of complementary specialist courses throughout the year. For details of these specialist courses please contact Sarah Moore on 0116 258 1200 or visit our website www.mercia-group.co.uk

Costs

The manual costs £195 (£145*).

You can enjoy peace of mind by subscribing to our updating service, which provides you with the assurance that your manual will be updated as needed on a timely basis. The annual update fee is £55 (£50*) per specialist assignment manual and will be invoiced on 1 July each year to cover all updates issued in the subsequent twelve months. New subscribers to SAM will receive all updates between the date of purchase and the next 1 July free of charge. The fee will entitle you to all routine updating. If, however, a major rewrite is required due to a substantial change in legislation you may be notified of an additional fee.

*Mercia members' price.

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