



# Coronavirus (COVID-19): considerations for auditors

*3 April 2020*

PRESENTED BY

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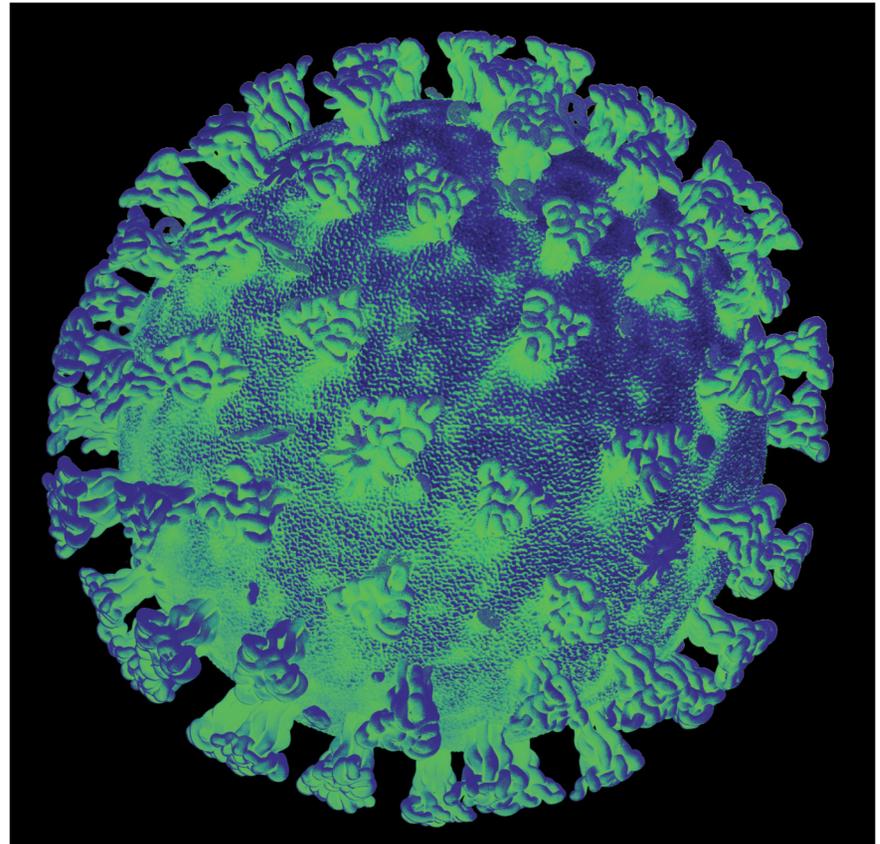
# *Today's presenters*



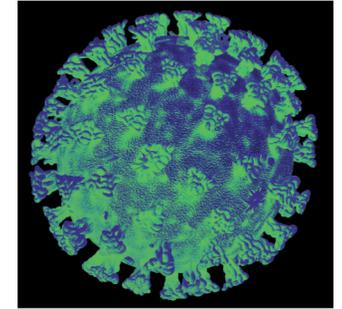
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# *Coronavirus / COVID-19*

- Attendance at client sites
- Stocktakes
- Valuations
- Group audits
- Company reporting dates
- For Financial Reporting impact see UK GAAP update webinar (19 March)

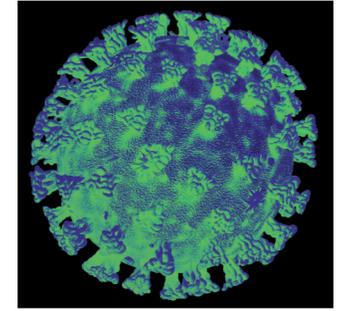


# *Attendance at client sites*



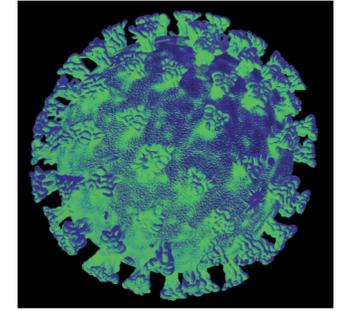
- Official advice to stay at home, communication options:
  - Emails
  - Instant messages
  - Cloud portals
  - Voice communications
  - Screen sharing
  - Video communications

# *Stocktakes*



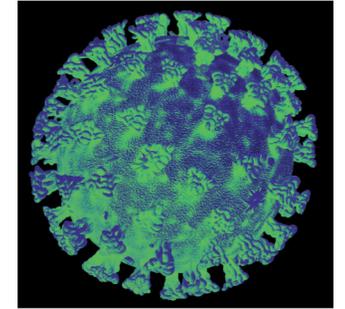
- ISA 501 mandatory requirement where stock material unless impracticable
- Remote stocktakes?
- Alternative date and rollback?
- Review documentation of sales after year end and purchases before year end?
- Limitation of scope?

# *Valuations*



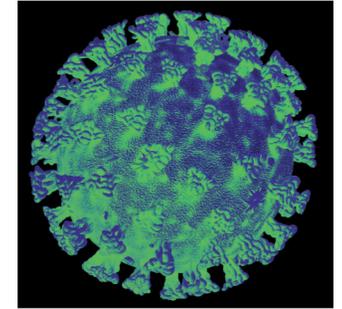
- When is COVID-19 an adjusting event?
  - Dec 2019?
  - March 2020?
- Fair value measurements
  - Are markets still active?
- Cash flow forecast based valuations/impairments
  - Estimation uncertainty
- Are we in ‘extremely rare’ circumstances?

# *Group audits*



- Risk assessment
- Communication
- Review of component auditor working papers
- New events or conditions which may cast significant doubt on the component's ability to continue as a going concern?

# *Company reporting dates*



- FRC Moratorium on preliminary announcements
- Changing the financial year end:
  - Only extend once every five years with some exceptions
  - Maximum 18 months
  - Must change before accounts overdue
  - Special rules for first year
- Requesting an extension to the filing deadline:
  - Must be requested before accounts overdue
  - <https://www.gov.uk/government/news/companies-to-receive-3-month-extension-period-to-file-accounts-during-covid-19>



# *Q&A*



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