

# The Audit Options for Our Society

East Boldre Community Stores Limited is a Community Benefit Society (CBS). CBS's have four financial audit options (only one of which is actually a formal audit).

	Cost
<b>1. No audit</b>	£0
<b>2. Appoint 2 lay auditors</b> (do not need to be qualified auditors) Only 'small societies' can appoint lay auditors (who do not need to be qualified auditors). A small society is defined as one with turnover and assets less than £5000 so this is not applicable to EBCS as our assets exceed this.	n/a
<b>3. Appoint a qualified auditor to produce a 'report on the accounts'</b> Our accountants, Fawcetts, are qualified auditors.	£2,250
<b>4. Appoint a qualified auditor to audit the accounts and balance sheet</b> A qualified auditor is someone eligible for appointment under part 42 of the Companies Act 2006 (members of a recognized supervisory body).	£5,000

Our society has a rule which gives us the power not to appoint auditors to audit our accounts (option 4) subject to a vote with an appropriate majority (80%) at our Annual Members' Meeting. This option was chosen by our members for financial years 2022/2023 and 2023/2024.

- Each year we satisfied the Financial Conduct Authority's (FCA) requirements for this rule to be applied (our turnover <£5.1m and assets <£10.2m).
- A full audit costs upwards of £5000 (option 4); we do not consider that this represents good value as it is not required by either our rules or the FCA.

For further information the FCA provides a [decision tree](#) to determine which type of audit is required. It shows that for the we must opt for option 3 as our annual income is above the threshold.