
SCOTTISH STATUTORY INSTRUMENTS

2006 No. 218

The Charities Accounts (Scotland) Regulations 2006

Independent examination of statement of account

11.—(1) A charity with a gross income in a financial year of less than £500,000, which is required to prepare a statement of account in accordance with regulation 8 or 9 and which is not required to have its statement of account audited in accordance with regulation 10, must have its statement of account for that year examined by an independent examiner who is reasonably believed by the charity trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts.

(2) If the charity prepares a statement of account in accordance with regulation 8, the independent examiner must also be—

(a) a member of—

- (i) the Institute of Chartered Accountants in England and Wales,
- (ii) the Institute of Chartered Accountants of Scotland,
- (iii) the Institute of Chartered Accountants in Ireland,
- (iv) the Association of Chartered Certified Accountants,
- (v) the Association of Authorised Public Accountants,
- (vi) the Association of Accounting Technicians,
- (vii) the Association of International Accountants,
- (viii) the Chartered Institute of Management Accountants,
- (ix) the Institute of Chartered Secretaries and Administrators,
- (x) the Chartered Institute of Public Finance or Accountancy,

(b) a full member of the Association of Charity Independent Examiners, or

(c) the Auditor General for Scotland.

(3) The independent examiner, shall make a report to the charity trustees which—

- (a) states the name and address of the independent examiner and the name of the charity concerned;
- (b) is signed by the independent examiner and specifies any relevant professional qualifications or professional body of which the independent examiner is a member;
- (c) is dated and specifies the financial year in respect of which the accounts to which it relates have been prepared;
- (d) specifies that it is a report in respect of an examination carried out under section 44(1)(c) of the 2005 Act;
- (e) states whether or not any matter has come to the attention of the independent examiner in connection with the examination which gives the independent examiner reasonable cause to believe that in any material respect—
 - (i) accounting records have not been kept in respect of the charity in accordance with section 44(1)(a) of the 2005 Act and regulation 4, above;

- (ii) the accounts do not accord with those records;
 - (iii) in the case of an examination of a statement of account which has been prepared under regulation 8 above, the statement of account does not comply with any of the requirements of regulation 8; or
 - (iv) in the case of an examination of account which has been prepared under regulation 9 above, the receipts and payments account and statement of balances do not comply with any of the requirements of regulation 9;
- (f) states whether or not any matter has come to the independent examiner's attention in connection with the examination to which, in the independent examiner's opinion, attention should be drawn in the report in order to enable a proper understanding of the accounts to be reached; and
- (g) contains a statement as to any of the following matters that has become apparent to the independent examiner during the course of the examination, namely, that–
- (i) there has been any material expenditure or action which appears not to be in accordance with the purposes of the charity; or
 - (ii) any information or explanation to which they are entitled under regulation 13 below, has not been afforded to them;
 - (iii) in the case of an examination of accounts, a statement of which has been prepared under regulation 8 or 9 above, any information contained in the statement of account is inconsistent in any material respect with any report of the charity trustees prepared under section 44(1)(b) of the 2005 Act in respect of the financial year in question.