

Changes to legislation: Building Societies Act 1986, Cross Heading: Removal of auditors is up to date with all changes known to be in force on or before 29 May 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 11

^{F1} AUDITORS: APPOINTMENT, TENURE...

Textual Amendments

- F1** Words in Sch. 11 heading omitted (6.4.2008) by virtue of [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 14\(a\)](#), Sch. 2 (with arts. 6, 11, 12)

Modifications etc. (not altering text)

- C1** Sch. 11 excluded by [S.I. 1986/2168](#), [art. 12\(a\)](#)

Removal of auditors

- 6 (1) A building society may by resolution in general meeting remove an auditor before the expiration of his term of office, notwithstanding anything in any agreement between it and him.
- (2) Where a resolution removing an auditor is passed at a general meeting of a building society, the society shall within 14 days give notice of that fact to the [^{F1}FCA and, if the society is a PRA-*authorised person*, the PRA] .
- (3) If a building society fails to give the notice required by sub-paragraph (2) above the society shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale and, in the case of a continuing offence, to an additional fine not exceeding £40 for every day during which the offence continues and so shall every officer who is also guilty of the offence.
- (4) Nothing in this paragraph is to be taken as depriving a person removed under it of compensation or damages that may be payable to him in respect of the termination of his appointment as auditor.
- [^{F2}(5) An auditor may not be removed from office before the expiration of that auditor's term of office except—
- (a) by resolution under this paragraph, or
 - (b) in accordance with paragraph 6ZA.]

Textual Amendments

- F1** Words in Sch. 11 para. 6(2) substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 8 para. 55\(4\)](#) (with Sch. 12)
- F2** Sch. 11 para. 6(5) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), [Sch. 4 para. 8\(c\)](#) (with reg. 1(6))

Changes to legislation: *Building Societies Act 1986, Cross Heading: Removal of auditors is up to date with all changes known to be in force on or before 29 May 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Application to court to remove auditor from office

- [^{F3}6ZA(1) The competent authority may apply to the High Court for an order removing an auditor of a building society from office if the authority considers that there are proper grounds for removing the auditor from office.
- (2) The members of a building society may apply to the High Court for an order removing an auditor of the building society from office if the applicant or applicants consider that there are proper grounds for removing the auditor from office.
- (3) If the court is satisfied, on hearing an application under sub-paragraph (1), that there are proper grounds for removing the auditor from office, it may make an order removing the auditor from office.
- (4) If the court is satisfied, on hearing an application under sub-paragraph (2), that—
- (a) the applicants represent in total—
 - (i) not less than 5% of the voting rights of all the members having a right to vote at a general meeting of the building society, or
 - (ii) not less than 5% in nominal value of the amount standing to the credit of shares in a building society as shown by the latest balance sheet, and
 - (b) there are proper grounds for removing the auditor from office,
- the court may make an order removing the auditor from office.
- (5) For the purposes of this paragraph, divergence of opinions on accounting treatments or audit procedures are not to be taken to be proper grounds for removing an auditor from office.]

Textual Amendments

- F3** Sch. 11 para. 6ZA inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 4 para. 8(d)** (with reg. 1(6))

Changes to legislation:

Building Societies Act 1986, Cross Heading: Removal of auditors is up to date with all changes known to be in force on or before 29 May 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 5(11)-(14) inserted by [2007 c. 26 s. 1\(2\)](#)
- s. 5(13)(a) substituted by [S.I. 2013/496 Sch. 8 para. 4\(4\)](#)
- s. 7(6A)-(6C) inserted by [2007 c. 26 s. 1\(1\)\(a\)](#)
- s. 7(8A) inserted by [2007 c. 26 s. 1\(1\)\(c\)](#)
- s. 176ZB excluded by [S.I. 2017/400 reg. 14](#)
- s. 246ZA-246ZC excluded by [S.I. 2017/400 reg. 15](#)
- s. 246ZD excluded by [S.I. 2017/400 reg. 16](#)