

Changes to legislation: Building Societies Act 1986, Paragraph 3DA is up to date with all changes known to be in force on or before 27 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)

Appointment

- ^{F1} (1) If—
^{F2}3DA. (a) a building society appoints, or purports to appoint, an auditor or auditors, and
(b) the appointment or purported appointment is made in breach of paragraph 3B, 3C or 3D (requirements applying to appointment of auditors),
the appropriate authority may appoint another auditor or auditors in place of the auditor or auditors referred to in paragraph (a).
- (2) The breach of paragraph 3B, 3C or 3D does not invalidate any report made under this Part by the auditor or auditors on the building society's annual reports or accounts before the auditor or auditors are replaced under sub-paragraph (1) of this paragraph.
- (3) But where the breach in question is a breach of paragraph 3D, sections 1248 and 1249 of the Companies Act 2006 (Secretary of State's power to require second audit for companies) apply as if—
- (a) the building society were a company;
 - (b) references to the Secretary of State were to the appropriate audit authority;
 - (c) references to the registrar of companies were to the FCA and, if the society is a PRA-authorized person, to the PRA;
 - (d) the auditor was not an appropriate person, or the auditors were not appropriate persons, for the period during which the audit was conducted;
 - (e) section 1248(9) was omitted.
- (4) Within one week of becoming aware of the breach of paragraph 3B, 3C or 3D, the building society must give notice to the appropriate authority that the power under sub-paragraph (1) of this paragraph has become exercisable.
- (5) If the building society fails to give the notice required by sub-paragraph (4), the society shall be liable on summary conviction—
- (a) to a fine not exceeding level 3 on the standard scale; and

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- (b) 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 any officer who is also guilty of the offence.]]

Textual Amendments

- F1** Sch. 11 paras. 3D, 3E inserted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **2(6)(d)**
- F2** Sch. 11 para. 3DA inserted (with effect in accordance with reg. 2(1) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 1 para. 3** (with reg. 2(6)(7))

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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](#)