



# Building Societies Act 1986

## 1986 CHAPTER 53

### PART VIII

#### ACCOUNTS AND AUDIT

##### *Auditors and audit of accounts*

#### **78 Auditors' report.**

- (1) The auditors of a building society shall make a report to the members on the annual accounts which are to be laid before the society at the annual general meeting during their tenure of office.
- (2) The auditors' report shall <sup>F1</sup> . . . be open to inspection by any member [<sup>F2</sup>at the annual general meeting of the building society].
- (3) The auditors shall, in their report under subsection (1) above, also make a report to the members on—
  - (a) the annual business statement, and
  - (b) the directors' report,in so far as subsection (7) below requires them to do so.
- (4) The auditors' report shall state whether the annual accounts have been prepared so as to conform to the requirements of this Part and the regulations made under it and whether, in the opinion of the auditors, they give a true and fair view—
  - (a) in the case of the income and expenditure account, of the income and expenditure of the society for the financial year, [<sup>F3</sup>and]
  - (b) in the case of the balance sheet, of the state of the affairs of the society as at the end of the financial year, <sup>F4</sup> . . .
  - (c) in the case of the statement of the source and application of funds, of the manner in which the business of the society has been financed and in which its financial resources have been used during the year.

*Status: Point in time view as at 23/03/1999. This version of this provision has been superseded.*

*Changes to legislation: Building Societies Act 1986, Section 78 is up to date with all changes known to be in force on or before 17 January 2024. 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)*

- (5) Subsection (4) above, in its application to the group accounts of a society, is to be read as referring to the society and (so far as it concerns the members of the society) the [<sup>F5</sup>subsidiary undertakings] dealt with in the group accounts.
- (6) If the auditors' report includes a qualification of their opinion that the annual accounts give a true and fair view of the matters specified in subsection (4) above, subsections (8) and (9) of section 76 extend also to the auditors' report.
- (7) The auditors' report, in so far as it deals with the documents specified in subsection (3) above, shall state whether they have been prepared so as to conform to the requirements of sections 74 and 75 respectively and the regulations thereunder and whether, in the opinion of the auditors—
- (a) the information given in the annual business statement gives a true representation of the matters in respect of which it is given, and
  - (b) the information given in the directors' report is consistent with the accounting records and the annual accounts for the year.
- (8) The auditors' report on the annual business statement shall not deal with any matters which, by virtue of section 74(6), are not to be the subject of report under this section.
- (9) The auditors of a building society shall, as regards the statement of particulars of transactions falling within section 65 which the society is to make available for "inspection by members under section 68(3), examine the statement before it is made available to members and make a report to the members on it; and the report shall be annexed to the statement before it is so made available.
- (10) The auditors' report under subsection (9) above shall state whether in their opinion the statement contains the particulars required by section 68; and where their opinion is that it does not, they shall include in their report, so far as they are reasonably able to do so, a statement giving the requisite particulars.

#### Textual Amendments

- F1** Words in s. 78(2) repealed (11.1.1996) by [S.I. 1995/3233, art. 6\(a\)](#)
- F2** Words in s. 78(2) inserted (11.1.1996) by [S.I. 1995/3233, art. 6\(b\)](#)
- F3** Word in s. 78(4)(a) inserted (23.3.1999) by [S.I. 1999/248, reg. 3, Sch. para. 4](#)
- F4** [S. 78\(4\)\(c\)](#) and the word "and" immediately preceding omitted (23.3.1999) by virtue of [S.I. 1999/248, reg. 3, Sch. para. 4](#)
- F5** Words in [ss. 71-82 \(Pt. VIII\)](#) substituted (1.1.1993) by [S.I. 1991/1729, art. 3.](#)

#### Modifications etc. (not altering text)

- C1** [S. 78](#) restricted (1. 1. 1993) by [S.I. 1992/359, reg. 9\(4\)](#) (with [reg. 2\(2\)](#))

**Status:**

Point in time view as at 23/03/1999. This version of this provision has been superseded.

**Changes to legislation:**

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