



Friendly Societies Act 1992

1992 CHAPTER 40

PART VI

ACCOUNTS AND AUDIT

Auditors' report on annual accounts

73 [F¹Auditor's report].

- (1) The [F²auditor] of a friendly society or of a registered branch shall make a [F³written] report to the members on the annual accounts which are to be laid before the society or branch at the annual general meeting during [F²his] tenure of office.
- (2) The [F⁴auditor] of a friendly society or registered branch shall, in preparing [F⁵his] report, carry out such investigations as will enable [F⁶him] to form an opinion as to—
 - (a) whether [F⁷adequate] accounting records have been kept under section 68 above;
 - F⁸(b)
 - (c) whether the annual accounts are in agreement with the accounting records;
 - F⁹...

[F¹⁰(2A) If the auditor is of the opinion that—

- (a) adequate accounting records have not been kept under section 68, or
 - (b) the annual accounts are not in agreement with the accounting records,
- the auditor must state that fact in his report.]

(3) If the [F¹¹auditor fails] to obtain all the information and explanations and the access to documents which, to the best of [F¹²his] knowledge and belief, are necessary for the purposes of [F¹²his] audit, [F¹³he] shall state that fact in [F¹²his] report.

F¹⁴(4)

[F¹⁵(4A) The auditor shall, in his report—

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- (a) state whether, in his opinion, based on the work undertaken in the course of the audit—
 - (i) the information given in the report of the committee of management for the financial year for which the annual accounts are prepared is consistent with those accounts,
 - (ii) that report has been prepared in accordance with this Act and the regulations made under it,
- (b) state whether, in the light of the knowledge and understanding of the society or registered branch and its environment obtained in the course of the audit, the auditor has identified material misstatements in the report of the committee of management, and
- (c) if applicable, give an indication of the nature of each of the misstatements referred to in paragraph (b).]

^{F16}(5)

[^{F17}(5A) The auditor’s report must include—

- (a) the identity of the friendly society or registered branch whose annual accounts are the subject of the audit,
- (b) a description of the annual accounts that are the subject of the audit (including the period covered by those accounts),
- (c) a description of the financial reporting framework that has been applied in the preparation of those accounts, and
- (d) a description of the scope of the audit identifying the auditing standards in accordance with which the audit was conducted.

(5B) The report must clearly state the opinion of the auditor as to whether the annual accounts—

- (a) give a true and fair view—
 - (i) in the case of an individual balance sheet, of the state of affairs of the society or branch as at the end of the financial year,
 - (ii) in the case of an individual income and expenditure account, of the income and expenditure of the society or branch for the financial year, and
 - (iii) in the case of the group accounts of an incorporated friendly society, of the state of affairs as at the end of the financial year and of the income and expenditure for the financial year of the society and the subsidiary undertakings dealt with in the group accounts, so far as concerns members of the society,
- (b) have been properly prepared in accordance with the relevant financial reporting framework, and
- (c) have been prepared in accordance with the requirements of this Act (and where applicable, [^{F18}section 403(1) of the Companies Act 2006 (group accounts: applicable accounting framework)].

(5C) The auditor’s report must—

- (a) be either unqualified or qualified,
- (b) include a reference to any matters to which the auditor wishes to draw attention by way of emphasis without qualifying the report,
- (c) include a statement on any material uncertainty relating to events or conditions that may cast significant doubt about the ability of the friendly society or

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- registered branch to continue to adopt the going concern basis of accounting,
and
- (d) identify the auditor's place of establishment.]
- [^{F19}(6) Where more than one person is appointed as auditor, all the persons appointed must jointly make a report under this section, which must include a statement as to whether they all agree on—
- (a) the matters contained in the report,
(b) the statements given under subsections (2A), (3) and (4A), and
(c) the indications given under subsection (4A).
- (7) Where the persons do not all agree on all of those things, the report must—
- (a) include the opinions of each person appointed, and
(b) give reasons for the disagreement.]

Textual Amendments

- F1** Words in s. 73 heading substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(i)**
- F2** Word in s. 73(1) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(a)**
- F3** Word in s. 73(1) inserted (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(a)**
- F4** Word in s. 73(2) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(b)(i)(aa)**
- F5** Word in s. 73(2) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(b)(i)(bb)**
- F6** Word in s. 73(2) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(b)(i)(cc)**
- F7** Word in s. 73(2)(a) substituted (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(b)(i)**
- F8** S. 73(2)(b) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F9** Words in s. 73(2) omitted (with effect in accordance with reg. 1(5) of the amending S.I.) by virtue of The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(b)(ii)**
- F10** S. 73(2A) inserted (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(c)**
- F11** Words in s. 73(3) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(c)(i)**
- F12** Word in s. 73(3) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(c)(ii)**
- F13** Word in s. 73(3) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(c)(iii)**

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- F14** S. 73(4A) substituted for s. 73(4) (with effect in accordance with art. 1(2) of the amending S.I.) by The Friendly Societies Act 1992 (International Accounting Standards and Other Accounting Amendments) Order 2005 (S.I. 2005/2211), arts. 1(2), **5(2)**
- F15** S. 73(4A) substituted (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(d)**
- F16** S. 73(5A)-(5D) substituted for s. 73(5) (with effect in accordance with art. 1(2) of the amending S.I.) by The Friendly Societies Act 1992 (International Accounting Standards and Other Accounting Amendments) Order 2005 (S.I. 2005/2211), arts. 1(2), **5(3)**
- F17** S. 73(5A)-(5C) substituted for s. 73(5A)-(5D) (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(e)**
- F18** Words in s. 73(5B)(c) substituted (31.12.2020) by The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/685), reg. 1(2), **Sch. 1 para. 44** (with reg. 1(3)(4), Sch. 1 para. 67) (as amended by S.I. 2020/523, regs. 1(2), 22, 25(e)); 2020 c. 1, Sch. 5 para. 1(1)
- F19** S. 73(6)(7) (previously omitted by virtue of S.I. 2005/2211, **art. 5(4)**) inserted (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(f)**

Commencement Information

- I1** S. 73 wholly in force; s. 73 not in force at Royal Assent see s. 126(2); s. 73 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; s. 73 in force for all remaining purposes at 1.1.1994 by S.I. 1993/2213, art. 2(1), **Sch. 5**

Changes to legislation:

There are currently no known outstanding effects for the Friendly Societies Act 1992, Section 73.