

Status: Point in time view as at 01/04/2008.

Changes to legislation: There are currently no known outstanding effects for the Charities Act 1993 (repealed), Cross Heading: Audit of accounts of larger groups. (See end of Document for details)

SCHEDULES

[^{F1}SCHEDULE 5A

GROUP ACCOUNTS

Textual Amendments

- F1** Sch. 5A inserted (27.2.2007 for the insertion of Sch. 5A paras. 3(3)(b)(4)(5), 4(2)(3), 6(2), 8, 10(2)(3), 15 for specified purposes, 1.4.2008 in so far as not already in force) by [Charities Act 2006 \(c. 50\)](#), s. 79(2), [Sch. 6](#) (with [Sch. 10](#) para. 17); [S.I. 2007/309](#), art. 2, [Sch.](#); [S.I. 2008/945](#), art. 2, [Sch. 1](#)

Audit of accounts of larger groups

- 6 (1) This paragraph applies where group accounts are prepared for a financial year of a parent charity under paragraph 3(2) and—
- (a) the aggregate gross income of the group in that year exceeds the relevant income threshold, or
 - (b) the aggregate gross income of the group in that year exceeds the relevant income threshold and at the end of the year the aggregate value of the assets of the group (before deduction of liabilities) exceeds the relevant assets threshold.
- (2) In sub-paragraph (1)—
- (a) the reference in paragraph (a) or (b) to the relevant income threshold is a reference to the sum prescribed as the relevant income threshold for the purposes of that paragraph, and
 - (b) the reference in paragraph (b) to the relevant assets threshold is a reference to the sum prescribed as the relevant assets threshold for the purposes of that paragraph.
- “Prescribed” means prescribed by regulations made by the Minister.
- (3) This paragraph also applies where group accounts are prepared for a financial year of a parent charity under paragraph 3(2) and the appropriate audit provision applies in relation to the parent charity's own accounts for that year.
- (4) If this paragraph applies in relation to a financial year of a parent charity by virtue of sub-paragraph (1) or (3), the group accounts for that year shall be audited—
- (a) (subject to paragraph (b) or (c) below) by a person within section 43(2)(a) or (b) of this Act;
 - (b) if section 43A of this Act applies in relation to that year, by a person appointed by the Audit Commission (see section 43A(7));
 - (c) if section 43B of this Act applies in relation to that year, by the Auditor General for Wales.

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- (5) Where it appears to the Commission that sub-paragraph (4)(a) above has not been complied with in relation to that year within ten months from the end of that year—
- (a) the Commission may by order require the group accounts for that year to be audited by a person within section 43(2)(a) or (b) of this Act, and
 - (b) if it so orders, the auditor shall be a person appointed by the Commission.
- (6) Section 43(6) of this Act shall apply in relation to any such audit as it applies in relation to an audit carried out by an auditor appointed under section 43(5) (reading the reference to the funds of the charity as a reference to the funds of the parent charity).
- (7) Section 43A(4) and (6) of this Act apply in relation to any appointment under sub-paragraph (4)(b) above as they apply in relation to an appointment under section 43A(2).
- [^{F2}(8) If this paragraph applies in relation to a financial year of a parent charity by virtue of sub-paragraph (1)—
- (a) (subject to paragraph (b) below) the appropriate audit provision shall apply in relation to the parent charity’s own accounts for that year (whether or not it would otherwise so apply);
 - (b) where the parent charity is a company and its own accounts for that year are not required to be audited in accordance with Part 7 of the Companies Act 1985, section 43(2) of this Act shall apply in relation to those accounts (whether or not it would otherwise so apply).]
- (9) In this paragraph “the appropriate audit provision”, in relation to a financial year of a parent charity, means—
- (a) (subject to paragraph [^{F3}(b), (c) or (d)] below) section 43(2) of this Act;
 - (b) if section 43A of this Act applies in relation to that year, section 43A(2);
 - (c) if section 43B of this Act applies in relation to that year, section 43B(2).]
 - [^{F4}(d) if the parent charity is a company, section 43(2) of this Act or Part 7 of the Companies Act 1985 (as the case may be).]

Textual Amendments

- F2** Sch. 5A para. 6(8) substituted (with effect in accordance with art. 1(3) of the amending S.I.) by [The Charities Act 2006 \(Charitable Companies Audit and Group Accounts Provisions\) Order 2008 \(S.I. 2008/527\)](#), arts. 1(1), **8(8)**
- F3** Words in Sch. 5A para. 6(9)(a) substituted (with effect in accordance with art. 1(3) of the amending S.I.) by [The Charities Act 2006 \(Charitable Companies Audit and Group Accounts Provisions\) Order 2008 \(S.I. 2008/527\)](#), arts. 1(1), **8(9)**
- F4** Sch. 5A para. 6(9)(d) inserted (with effect in accordance with art. 1(3) of the amending S.I.) by [The Charities Act 2006 \(Charitable Companies Audit and Group Accounts Provisions\) Order 2008 \(S.I. 2008/527\)](#), arts. 1(1), **8(10)**

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