Friendly and Industrial and Provident Societies Act 1968

1968 CHAPTER 55

Societies : accounts and audit, etc.

4 Obligation to appoint auditors

(1) Subject to the following provisions of this section, every society shall in each year of account beginning on or after 1st January 1969 appoint a qualified auditor or qualified auditors to audit its accounts and balance sheet for that year.

(2) Subsection (1) of this section shall not apply to any society (not being a collecting society) if—

    (a) the receipts and payments of that society in respect of the preceding year of account did not in the aggregate exceed £5,000;

    (b) the number of its members at the end of that year did not exceed five hundred; and

    (c) the value of its assets at the end of that year did not in the aggregate exceed £5,000.

(3) Without prejudice to the provisions of the last preceding subsection, subsection (1) of this section shall not apply to a registered branch if—

    (a) the conditions specified in paragraphs (a) and (b) of the last preceding subsection are satisfied in respect of that branch, and

    (b) at the end of the preceding year of account at least seventy-five per cent of its assets had been transferred to the society of which it is a branch or to another registered branch of that society for the purpose of being invested, in accordance with section 44(2) of the Act of 1896, by that society or that other branch, and the value of its assets not so transferred did not in the aggregate exceed £5,000:

Provided that this subsection shall not have effect so as to exempt a registered branch from the requirements of subsection (1) of this section in any year of account in respect

of which that subsection does not apply to the society or branch to which the assets have been transferred.

(4) A society to which by virtue of subsection (2) or (3) of this section subsection (1) of this section does not apply in respect of any year of account is in this Act referred to as an exempt society in respect of that year of account.

(5) Subject to any direction given by the registrar under the next following subsection, every society which is an exempt society in respect of the current year of account shall in that year appoint at its option either—
   (a) a qualified auditor or qualified auditors, or
   (b) two or more persons who are not qualified auditors,
to audit its accounts and balance sheet for that year.

(6) The registrar may give a direction in the case of any particular society which is an exempt society in respect of the current year of account requiring it to appoint a qualified auditor to audit its accounts and balance sheet for that year.

(7) The registrar may give a direction in the case of any particular society which was an exempt society in respect of any year of account before the year of account in which that direction is given and did not appoint a qualified auditor or qualified auditors to audit its accounts and balance sheet for that year—
   (a) requiring it to appoint a qualified auditor to audit those accounts and that balance sheet, and
   (b) in a case where that society has sent to him its annual return for that year before the date of the direction, requiring it after its accounts and balance sheet have been audited by a qualified auditor to send to him within three months from receipt of the direction a further annual return complying with the requirements of this Act and of section 27 of the Act of 1896 or, as the case may be, of section 39 of the Act of 1965 (other than that as to time of sending).

(8) Regulations made by the Chief Registrar with the consent of the Treasury may—
   (a) substitute for any sum or number for the time being specified in subsection (2) of this section or for any sum or percentage for the time being specified in subsection (3) of this section such sum, number or percentage as may be specified in the regulations; and
   (b) prescribe what receipts and payments of a society shall be taken into account for the purposes of those subsections.