

SCHEDULES

SCHEDULE 2

ADMINISTRATIVE PROVISIONS RELATING TO TRADE UNIONS AND EMPLOYERS' ASSOCIATIONS

PART I

ANNUAL RETURNS, AND QUALIFICATIONS, APPOINTMENT AND REMOVAL, AND FUNCTIONS, OF AUDITORS

Qualifications of auditors

- 6 Subject to paragraphs 7 to 9 below, a person shall not be qualified to be the auditor or one of the auditors of a trade union or employers' association unless he is either a member of one or more of the following bodies—
- (a) the Institute of Chartered Accountants in England and Wales ;
 - (b) the Institute of Chartered Accountants of Scotland ;
 - (c) the Association of Certified Accountants ;
 - (d) the Institute of Chartered Accountants in Ireland ;
 - (e) any other body of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Secretary of State,
- or a person who is for the time being authorised by the Secretary of State under section 161(1)(b) of that Act as being a person with similar qualifications obtained outside the United Kingdom.
- 7 Notwithstanding anything in paragraph 6 above, a Scottish firm may act as auditor of a trade union or employers' association if, but only if, every partner of the firm is qualified so to act.
- 8 A person who is not qualified under paragraph 6 above may act in respect of any accounting period as auditor of a trade union or employers' association if—
- (a) it was registered under the Trade Union Acts 1871 to 1964 on 30th September 1971 ;
 - (b) he acted as its auditor in respect of the last period in relation to which it was required to make an annual return under section 16 of the Trade Union Act 1871 ;
 - (c) he has acted as its auditor in respect of every accounting period since that period ; and
 - (d) he is for the time being authorised by the Secretary of State under section 161(1)(b) of the Companies Act 1948 otherwise than as mentioned in paragraph 6 above.

- 9 (1) Two or more persons who are not qualified under paragraph 6 above may act as auditors of a trade union or employers' association in respect of any accounting period of that union or association if—
- (a) its receipts and payments in respect of its last preceding accounting period did not in the aggregate exceed £5,000 ;
 - (b) the number of its members at the end of its last preceding accounting period did not exceed 500 ; and
 - (c) the value of its assets at the end of its last preceding accounting period did not in the aggregate exceed £5,000.
- (2) Where by virtue of sub-paragraph (1) above persons who are not qualified under paragraph 6 above act as auditors in respect of any accounting period of a trade union or employers' association, the Registrar may at any time (whether during that period or after it comes to an end) direct the trade union or employers' association to appoint a person who is so qualified to audit its accounts for that period.
- (3) Regulations may—
- (a) substitute for any sum or number for the time being specified in sub-paragraph (1) above such sum or number as may be specified in the regulations ; and
 - (b) prescribe what receipts and payments shall be taken into account for the purposes of that sub-paragraph.
- 10 (1) None of the following persons shall act as auditor of a trade union or employers' association, that is to say—
- (a) an officer or employee of the trade union or employers' association or of any of its branches or sections ;
 - (b) a person who is a partner of, or in the employment of, or who employs, such an officer or employee;
 - (c) a body corporate.
- (2) References in this paragraph to an officer shall be construed as not including an auditor.