



# Charities Act 1993

## 1993 CHAPTER 10

### PART VI

#### CHARITY ACCOUNTS, REPORTS AND RETURNS

#### **43 Annual audit or examination of charity accounts**

- (1) Subsection (2) below applies to a financial year of a charity (“the relevant year”) if the charity’s gross income or total expenditure in any of the following, namely—
  - (a) the relevant year,
  - (b) the financial year of the charity immediately preceding the relevant year (if any), and
  - (c) the financial year of the charity immediately preceding the year specified in paragraph (b) above (if any),exceeds £100,000.
- (2) If this subsection applies to a financial year of a charity, the accounts of the charity for that year shall be audited by a person who—
  - (a) is, in accordance with section 25 of the Companies Act 1989 (eligibility for appointment), eligible for appointment as a company auditor, or
  - (b) is a member of a body for the time being specified in regulations under section 44 below and is under the rules of that body eligible for appointment as auditor of the charity.
- (3) If subsection (2) above does not apply to a financial year of a charity, then (subject to subsection (4) below) the accounts of the charity for that year shall, at the election of the charity trustees, either—
  - (a) be examined by an independent examiner, that is to say an independent person who is reasonably believed by the trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts, or
  - (b) be audited by such a person as is mentioned in subsection (2) above.
- (4) Where it appears to the Commissioners—

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*Status: This is the original version (as it was originally enacted).*

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- (a) that subsection (2), or (as the case may be) subsection (3) above, has not been complied with in relation to a financial year of a charity within ten months from the end of that year, or
  - (b) that, although subsection (2) above does not apply to a financial year of a charity, it would nevertheless be desirable for the accounts of the charity for that year to be audited by such a person as is mentioned in that subsection,

the Commissioners may by order require the accounts of the charity for that year to be audited by such a person as is mentioned in that subsection.
- (5) If the Commissioners make an order under subsection (4) above with respect to a charity, then unless—
  - (a) the order is made by virtue of paragraph (b) of that subsection, and
  - (b) the charity trustees themselves appoint an auditor in accordance with the order,

the auditor shall be a person appointed by the Commissioners.
- (6) The expenses of any audit carried out by an auditor appointed by the Commissioners under subsection (5) above, including the auditor's remuneration, shall be recoverable by the Commissioners—
  - (a) from the charity trustees of the charity concerned, who shall be personally liable, jointly and severally, for those expenses; or
  - (b) to the extent that it appears to the Commissioners not to be practical to seek recovery of those expenses in accordance with paragraph (a) above, from the funds of the charity.
- (7) The Commissioners may—
  - (a) give guidance to charity trustees in connection with the selection of a person for appointment as an independent examiner;
  - (b) give such directions as they think appropriate with respect to the carrying out of an examination in pursuance of subsection (3)(a) above;

and any such guidance or directions may either be of general application or apply to a particular charity only.
- (8) The Secretary of State may by order amend subsection (1) above by substituting a different sum for the sum for the time being specified there.
- (9) Nothing in this section applies to a charity which is a company.