

## SCHEDULES

### SCHEDULE 1

#### REGISTERED SOCIAL LANDLORDS: REGULATION

#### PART III

#### ACCOUNTS AND AUDIT

##### *Accounting and audit requirements for charities*

- 18 (1) A registered social landlord which is a registered charity shall, in respect of its housing activities (and separately from its other activities, if any), be subject to the following provisions (which impose accounting and audit requirements corresponding to those imposed by the Friendly and Industrial and Provident Societies Act 1968).

This does not affect any obligation of the charity under sections 41 to 45 of the Charities Act 1993 (charity accounts).

- (2) The charity shall in respect of its housing activities—
- (a) cause to be kept properly books of account showing its transactions and its assets and liabilities, and
  - (b) establish and maintain a satisfactory system of control of its books of accounts, its cash holdings and all its receipts and remittances.

The books of account must be such as to enable a true and fair view to be given of the state of affairs of the charity in respect of its housing activities, and to explain its transactions in the course of those activities.

- (3) The charity shall for each period of account prepare—
- (a) a revenue account giving a true and fair view of the charity's income and expenditure in the period, so far as arising in connection with its housing activities, and
  - (b) a balance sheet giving a true and fair view as at the end of the period of the state of the charity's affairs.

The revenue account and balance sheet must be signed by at least two directors or trustees of the charity.

- (4) The charity shall in each period of account appoint a qualified auditor to audit the accounts prepared in accordance with sub-paragraph (3).

A qualified auditor means a person who is eligible for appointment as auditor of the charity under Part II of the Companies Act 1989 or who would be so eligible if the charity were a company registered under the Companies Act 1985.

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*Status: This is the original version (as it was originally enacted).*

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- (5) The auditor shall make a report to the charity on the accounts audited by him, stating whether in his opinion—
- (a) the revenue account gives a true and fair view of the state of income and expenditure of the charity in respect of its housing activities and of any other matters to which it relates, and
  - (b) the balance sheet gives a true and fair view of the state of affairs of the charity as at the end of the period of account.
- (6) The auditor in preparing his report shall carry out such investigations as will enable him to form an opinion as to the following matters—
- (a) whether the association has kept, in respect of its housing activities, proper books of account in accordance with the requirements of this paragraph,
  - (b) whether the charity has maintained a satisfactory system of control over its transactions in accordance with those requirements, and
  - (c) whether the accounts are in agreement with the charity's books;
- and if he is of opinion that the charity has failed in any respect to comply with this paragraph, or if the accounts are not in agreement with the books, he shall state that fact in his report.
- (7) The auditor—
- (a) has a right of access at all times to the books, deeds and accounts of the charity, so far as relating to its housing activities, and to all other documents relating to those activities, and
  - (b) is entitled to require from officers of the charity such information and explanations as he thinks necessary for the performance of his duties;
- and if he fails to obtain all the information and explanations which, to the best of his knowledge and belief, are necessary for the purposes of his audit, he shall state that fact in his report.
- (8) A period of account for the purposes of this paragraph is twelve months or such other period not less than six months or more than 18 months as the charity may, with the consent of the Corporation, determine.