

## SCHEDULE 1

### Amendments to primary legislation

## PART 2

### Amendments to the Friendly Societies Act 1992

#### Amendments to the Friendly Societies Act 1992

**4.** The Friendly Societies Act 1992<sup>(1)</sup> is amended in accordance with this Part of this Schedule.

**5.** In Schedule 13F (disclosure of auditor remuneration etc)<sup>(2)</sup>—

(a) in paragraph 1—

(i) in sub-paragraph(1)(a), after “auditor” insert “, or an associate of the society’s auditor.”;

(ii) for sub-paragraph (6)(b) substitute—

“(b) the notes to the individual accounts of—

(i) the society, and

(ii) a subsidiary of the society, where the subsidiary is included in the group accounts and the statutory auditor is the same for both the society and the subsidiary,

do not have to disclose the information required by that provision if the notes state that the group accounts are so required.”;

(b) for paragraph 2 substitute—

“**2.** The types of service in respect of which disclosure is required are—

(a) the auditing of accounts of any associate of the society;

(b) audit-related assurance services;

(c) taxation compliance services;

(d) any taxation advisory services not falling within paragraph (c);

(e) internal audit services;

(f) any assurance services not falling within paragraphs (a) to (e);

(g) any services relating to corporate finance transactions entered into, or proposed to be entered into, by or on behalf of the society or any of its associates not falling within paragraphs (a) to (f);

(h) any other non-audit services.”;

(c) in paragraph 3(1), for “2(j)” substitute “2(h)”.

**6.** In Schedule 14A (appointment and removal of auditors: societies to which audit directive applies)<sup>(3)</sup>, after paragraph 4 insert—

“**4A.**—(1) If—

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(1) 1992 c. 40.

(2) Schedule 13F was inserted by S.I. 2008/1140.

(3) Schedule 14A was inserted by S.I. 2017/516.

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

- (a) a friendly society appoints, or purports to appoint, an auditor or auditors, and
- (b) the appointment or purported appointment is made in breach of paragraph 2, 3 or 4 (requirements applying to appointment of auditors),

the appropriate authority may appoint another auditor or auditors in place of the auditor or auditors referred to in paragraph (a).

(2) The breach of paragraph 2, 3 or 4 does not invalidate any report made under this Part by the auditor or auditors on the society's annual reports or accounts before the auditor or auditors are replaced under sub-paragraph (1) of this paragraph.

(3) But where the breach in question is a breach of paragraph 4, paragraph 9 of Schedule 14 (appropriate authority's power to require second audit) applies as if the auditor was, or auditors were, ineligible for appointment to that office for the period during which the audit was conducted.

(4) Within one week of becoming aware of the breach of paragraph 2, 3 or 4, the society must give notice to the appropriate authority that the power under sub-paragraph (1) of this paragraph has become exercisable.

(5) If a society fails to give the notice required by sub-paragraph (4), the society or branch shall be guilty of an offence and liable on summary conviction—

- (a) to a fine not exceeding level 3 on the standard scale; and
- (b) in the case of a continuing offence to an additional fine not exceeding one-tenth of that level for every day during which the offence continues;

and so shall any officer who is also guilty of the offence.”.