



Friendly Societies Act 1992

1992 CHAPTER 40

PART VI

ACCOUNTS AND AUDIT

Auditors' report on annual accounts

73 [F¹Auditor's report].

- (1) The [F²auditor] of a friendly society or of a registered branch shall make a [F³written] report to the members on the annual accounts which are to be laid before the society or branch at the annual general meeting during [F²his] tenure of office.
- (2) The [F⁴auditor] of a friendly society or registered branch shall, in preparing [F⁵his] report, carry out such investigations as will enable [F⁶him] to form an opinion as to—
 - (a) whether [F⁷adequate] accounting records have been kept under section 68 above;
 - F⁸(b)
 - (c) whether the annual accounts are in agreement with the accounting records;
 - F⁹...

[F¹⁰(2A) If the auditor is of the opinion that—

- (a) adequate accounting records have not been kept under section 68, or
 - (b) the annual accounts are not in agreement with the accounting records,
- the auditor must state that fact in his report.]

- (3) If the [F¹¹auditor fails] to obtain all the information and explanations and the access to documents which, to the best of [F¹²his] knowledge and belief, are necessary for the purposes of [F¹²his] audit, [F¹³he] shall state that fact in [F¹²his] report.

F¹⁴(4)

[F¹⁵(4A) The auditor shall, in his report—

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- (a) state whether, in his opinion, based on the work undertaken in the course of the audit—
 - (i) the information given in the report of the committee of management for the financial year for which the annual accounts are prepared is consistent with those accounts,
 - (ii) that report has been prepared in accordance with this Act and the regulations made under it,
- (b) state whether, in the light of the knowledge and understanding of the society or registered branch and its environment obtained in the course of the audit, the auditor has identified material misstatements in the report of the committee of management, and
- (c) if applicable, give an indication of the nature of each of the misstatements referred to in paragraph (b).]

^{F16}(5)

[^{F17}(5A) The auditor's report must include—

- (a) the identity of the friendly society or registered branch whose annual accounts are the subject of the audit,
- (b) a description of the annual accounts that are the subject of the audit (including the period covered by those accounts),
- (c) a description of the financial reporting framework that has been applied in the preparation of those accounts, and
- (d) a description of the scope of the audit identifying the auditing standards in accordance with which the audit was conducted.

(5B) The report must clearly state the opinion of the auditor as to whether the annual accounts—

- (a) give a true and fair view—
 - (i) in the case of an individual balance sheet, of the state of affairs of the society or branch as at the end of the financial year,
 - (ii) in the case of an individual income and expenditure account, of the income and expenditure of the society or branch for the financial year, and
 - (iii) in the case of the group accounts of an incorporated friendly society, of the state of affairs as at the end of the financial year and of the income and expenditure for the financial year of the society and the subsidiary undertakings dealt with in the group accounts, so far as concerns members of the society,
- (b) have been properly prepared in accordance with the relevant financial reporting framework, and
- (c) have been prepared in accordance with the requirements of this Act (and where applicable, [^{F18}section 403(1) of the Companies Act 2006 (group accounts: applicable accounting framework)].

(5C) The auditor's report must—

- (a) be either unqualified or qualified,
- (b) include a reference to any matters to which the auditor wishes to draw attention by way of emphasis without qualifying the report,
- (c) include a statement on any material uncertainty relating to events or conditions that may cast significant doubt about the ability of the friendly society or

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- registered branch to continue to adopt the going concern basis of accounting,
and
- (d) identify the auditor's place of establishment.]
- [^{F19}(6) Where more than one person is appointed as auditor, all the persons appointed must jointly make a report under this section, which must include a statement as to whether they all agree on—
- (a) the matters contained in the report,
(b) the statements given under subsections (2A), (3) and (4A), and
(c) the indications given under subsection (4A).
- (7) Where the persons do not all agree on all of those things, the report must—
- (a) include the opinions of each person appointed, and
(b) give reasons for the disagreement.]

Textual Amendments

- F1** Words in s. 73 heading substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(i)**
- F2** Word in s. 73(1) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(a)**
- F3** Word in s. 73(1) inserted (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(a)**
- F4** Word in s. 73(2) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(b)(i)(aa)**
- F5** Word in s. 73(2) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(b)(i)(bb)**
- F6** Word in s. 73(2) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(b)(i)(cc)**
- F7** Word in s. 73(2)(a) substituted (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(b)(i)**
- F8** S. 73(2)(b) repealed (1.12.2001) by S.I. 2001/2617, arts. 2, 13(2), **Sch. 4** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F9** Words in s. 73(2) omitted (with effect in accordance with reg. 1(5) of the amending S.I.) by virtue of The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(b)(ii)**
- F10** S. 73(2A) inserted (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(c)**
- F11** Words in s. 73(3) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(c)(i)**
- F12** Word in s. 73(3) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(c)(ii)**
- F13** Word in s. 73(3) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 2(c)(iii)**

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- F14** S. 73(4A) substituted for s. 73(4) (with effect in accordance with art. 1(2) of the amending S.I.) by The Friendly Societies Act 1992 (International Accounting Standards and Other Accounting Amendments) Order 2005 (S.I. 2005/2211), arts. 1(2), **5(2)**
- F15** S. 73(4A) substituted (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(d)**
- F16** S. 73(5A)-(5D) substituted for s. 73(5) (with effect in accordance with art. 1(2) of the amending S.I.) by The Friendly Societies Act 1992 (International Accounting Standards and Other Accounting Amendments) Order 2005 (S.I. 2005/2211), arts. 1(2), **5(3)**
- F17** S. 73(5A)-(5C) substituted for s. 73(5A)-(5D) (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(e)**
- F18** Words in s. 73(5B)(c) substituted (31.12.2020) by The International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/685), reg. 1(2), **Sch. 1 para. 44** (with reg. 1(3)(4), Sch. 1 para. 67) (as amended by S.I. 2020/523, regs. 1(2), 22, 25(e)); 2020 c. 1, Sch. 5 para. 1(1)
- F19** S. 73(6)(7) (previously omitted by virtue of S.I. 2005/2211, **art. 5(4)**) inserted (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **5(f)**

Commencement Information

- I1** S. 73 wholly in force; s. 73 not in force at Royal Assent see s. 126(2); s. 73 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; s. 73 in force for all remaining purposes at 1.1.1994 by S.I. 1993/2213, art. 2(1), **Sch. 5**

[^{F20}74 Signature of auditor's report

- (1) The auditor's report to the members of a friendly society or registered branch must state the name of the auditor [^{F21}(or, where more than one person is appointed as auditor, all of their names)] and be signed and dated.
- (2) Where the auditor is an individual, the report must be signed by him.
- (3) Where the auditor is a firm, the report must be signed—
- (a) in the case of a friendly society [^{F22}subject to special requirements], by the senior statutory auditor in his own name, for and on behalf of the firm;
 - (b) in any other case—
 - (i) in the name of the firm by a person authorised to sign on its behalf, or
 - (ii) if the firm has identified a senior statutory auditor in relation to the audit, by that person, in his own name, for and on behalf of the firm.
- [^{F23}(4) Where more than one person is appointed as auditor, the report must be signed by all those appointed.]]

Textual Amendments

- F20** Ss. 74-74C substituted for s. 74 (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), arts. 1(2), **5**
- F21** Words in s. 74(1) inserted (with effect in accordance with reg. 1(5) of the amending S.I.) by The Statutory Auditors and Third Country Auditors Regulations 2017 (S.I. 2017/516), regs. 1(2), **6(a)**
- F22** Words in s. 74(3)(a) substituted (31.12.2020) by The Friendly Societies (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1039), regs. 1, **5**; 2020 c. 1, Sch. 5 para. 1(1)

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F23 S. 74(4) inserted (with effect in accordance with reg. 1(5) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **6(b)**

[^{F20}74A. Senior statutory auditor

- (1) The senior statutory auditor means the individual identified by the firm as senior statutory auditor in relation to the audit in accordance with the standards or guidance mentioned in section 504(1) of the Companies Act 2006.
- (2) The person identified as senior statutory auditor must be eligible for appointment as auditor of the society in question in accordance with—
 - (a) in the case of a friendly society [^{F24}subject to special requirements], Chapter 2 of Part 42 of the Companies Act 2006;
 - (b) in any other case, Schedule 14 to this Act.
- (3) The senior statutory auditor is not, by reason of being named or identified as senior statutory auditor or by reason of his having signed the auditor's report, subject to any civil liability to which he would not otherwise be subject.]

Textual Amendments

- F20** Ss. 74-74C substituted for s. 74 (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by [The Friendly Societies Act 1992 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1140\)](#), arts. 1(2), **5**
- F24** Words in s. 74A(2)(a) substituted (31.12.2020) by [The Friendly Societies \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1039\)](#), regs. 1, **6**; 2020 c. 1, Sch. 5 para. 1(1)

[^{F20}74B. Names to be stated in copies of auditor's report filed or published

- (1) The copies of the auditor's report sent ^{F25}... under section 78(1) or (2) below, and every copy of the auditor's report that is published by or on behalf of the friendly society or registered branch, must—
 - (a) state the name of the auditor and (where the auditor is a firm and the report is signed by a senior statutory auditor) the name of the person who signed it as senior statutory auditor, or
 - (b) if the conditions in section 74C (circumstances in which names may be omitted) are met, state that a resolution has been passed and notified ^{F25}... in accordance with that section.

[If more than one person is appointed as auditor, the reference in subsection (1)(a) to ^{F26}(1A) the name of the auditor is to be read as a reference to the names of all the auditors.]

- (2) For the purposes of this section a society or branch is regarded as publishing the report if it publishes, issues or circulates it or otherwise makes it available for public inspection in a manner calculated to invite members of the public generally, or any class of members of the public, to read it.
- (3) If a copy of the auditor's report is sent ^{F25}... or published without the statement required by this section, an offence is committed by—
 - (a) the society or branch, and
 - (b) every officer of the society or branch who is in default.

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- (4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.]

Textual Amendments

- F20** Ss. 74-74C substituted for s. 74 (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by [The Friendly Societies Act 1992 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1140\)](#), arts. 1(2), **5**
- F25** Words in s. 74B omitted (1.4.2013) by virtue of [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 28** (with Sch. 12)
- F26** S. 74B(1A) inserted (with effect in accordance with reg. 1(5) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **7**

[^{F20}74C. Circumstances in which names may be omitted

- (1) [^{F27}An] auditor's name, and (where applicable) the name of the person who signed the report as senior statutory auditor, may be omitted from—
- (a) the copies of the report sent to [^{F28}the FCA and, if the society is a PRA-
authorised person, the PRA] under section 78(1) or (2) below, and
 - (b) published copies of the report,
- if the following conditions are met.
- (2) The conditions are that the friendly society or registered branch—
- (a) considering on reasonable grounds that statement of the name would create or be likely to create a serious risk that the auditor or senior statutory auditor, or any other person, would be subject to violence or intimidation, has resolved in general meeting that the name should not be stated, and
 - (b) has given notice of the resolution to [^{F28}the FCA and, if the society is a PRA-
authorised person, the PRA], stating—
 - (i) the name of the society or branch,
 - (ii) the financial year of the society to which the report relates, and
 - (iii) the name of the auditor and (where applicable) the name of the person who signed the report as senior statutory auditor.]

Textual Amendments

- F20** Ss. 74-74C substituted for s. 74 (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by [The Friendly Societies Act 1992 \(Accounts, Audit and EEA State Amendments\) Order 2008 \(S.I. 2008/1140\)](#), arts. 1(2), **5**
- F27** Word in s. 74C(1) substituted (with effect in accordance with reg. 1(5) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **8**
- F28** Words in s. 74C substituted (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), **Sch. 9 para. 29** (with Sch. 12)

75 [^{F29}Auditor's rights] to information and to attend meetings.

- (1) The [^{F30}auditor of a friendly society is] entitled—
- (a) to access at all times to the books, accounts and vouchers of the society;

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- (b) to require from the officers of the society such information and explanations [^{F31}as he thinks necessary for the performance of his duties as auditor];
 - (c) to receive from the society—
 - (i) notice of any general meeting of the society and of any matter relating to the business of such a meeting of which notice is given (by whatever means) to the society's members; and
 - (ii) copies of any communications sent to the society's members with respect to any such meeting; and
 - (d) to attend any general meeting of the society and to be heard on any part of the business of the meeting which concerns [^{F32}him as auditor];
- and the [^{F33}auditor of a registered branch has] the corresponding rights to those specified in paragraphs (a) to (d) above, with the substitution for references to the society of references to the branch.
- (2) The right to attend or be heard at a meeting is exercisable in the case of a body corporate or partnership by an individual authorised by it in writing to act as its representative at the meeting.
 - (3) An officer of a friendly society is guilty of an offence if he knowingly or recklessly makes to the society's [^{F34}auditor] a statement (whether written or oral) which—
 - (a) conveys or purports to convey any information or explanations which the [^{F35}auditor requires, or is entitled to require, as auditor] of the society; and
 - (b) is misleading, false or deceptive in a material particular.
 - (4) An officer of a registered branch is guilty of an offence if he knowingly or recklessly makes to the [^{F36}auditor] of the branch a statement (whether written or oral) which—
 - (a) conveys or purports to convey any information or explanations which the [^{F37}auditor requires, or is entitled to require, as auditor] of the branch; and
 - (b) is misleading, false or deceptive in a material particular.
 - (5) A person guilty of an offence under subsection (3) or (4) above is liable —
 - (a) on conviction on indictment, to imprisonment for a term not exceeding 2 years, or to a fine, or to both; and
 - (b) on summary conviction, to imprisonment for a term not exceeding 6 months or to a fine not exceeding the statutory maximum, or to both.
 - ^{F38}(6) Where a subsidiary of a friendly society is a company (as defined in section 1(1) of the Companies Act 2006), the subsidiary and its auditors must give to the auditors of the friendly society such information and explanations as they may reasonably require for the purposes of their duties as auditors of the society.]
 - (7) If—
 - (a) a subsidiary to which subsection (6) above applies fails to comply with that subsection; or
 - (b) an auditor of such a subsidiary fails without reasonable excuse to comply with that subsection,the subsidiary or auditor is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.
 - (8) An incorporated friendly society having a subsidiary to which subsection (6) above does not apply shall, if required by [^{F39}its auditor] to do so, take all such steps as are reasonably open to it to obtain from the subsidiary such information and explanations

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as [^{F40}he] may reasonably require for the purposes of [^{F41}his duties as auditor] of that society.

- (9) If an incorporated friendly society fails to comply with subsection (8) above, it is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

Textual Amendments

- F29** Words in s. 75 heading substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(f)**
- F30** Words in s. 75(1) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(a)(i)**
- F31** Words in s. 75(1)(b) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(a)(ii)**
- F32** Words in s. 75(1)(d) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(a)(iii)**
- F33** Words in s. 75(1) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(a)(iv)**
- F34** Word in s. 75(3) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(b)(i)**
- F35** Words in s. 75(3)(a) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(b)(ii)**
- F36** Word in s. 75(4) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(c)(i)**
- F37** Words in s. 75(4)(a) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(c)(ii)**
- F38** S. 75(6) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 1(2), **Sch. 1 para. 133(3)** (with art. 10)
- F39** Words in s. 75(8) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(e)(i)**
- F40** Word in s. 75(8) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(e)(ii)**
- F41** Words in s. 75(8) substituted (29.6.2008 with effect in accordance with art. 1(3) of the amending S.I.) by The Friendly Societies Act 1992 (Accounts, Audit and EEA State Amendments) Order 2008 (S.I. 2008/1140), art. 1(2), **Sch. 2 para. 3(e)(iii)**

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Commencement Information

- I2** S. 75 wholly in force; s. 75 not in force at Royal Assent see s. 126(2); s. 75 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; s. 75 in force for all remaining purposes at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

76 Approval and signing of accounts.

- (1) The annual accounts of a friendly society or a registered branch shall be approved by the committee of management.
- (2) The accounts so approved shall be signed by the secretary of the society or branch; and the signature shall be on the balance sheet.
- (3) Every copy of the balance sheet which is laid before the society or branch in general meeting, or is otherwise circulated, published or issued, shall state the name of the secretary of the society or branch.
- (4) The copy of the balance sheet of a friendly society or a registered branch which is sent^{F42} ... under section 78 below shall be signed by the secretary of the society or branch.
- (5) If annual accounts of a society or branch are approved which do not comply with the requirements of this Act, every member of the committee of management who is party to their approval and who knows that they do not comply or is reckless as to whether they comply is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

For this purpose every member of the committee at the time the accounts are approved shall be taken to be a party to their approval unless he shows that he took all reasonable steps to prevent their being approved.

- (6) If a copy of the balance sheet of a society or branch—
 - (a) is laid before the society or branch, or otherwise circulated, published or issued, without the balance sheet having been signed as required by this section or without the required statement of the signatory's name being included; or
 - (b) is sent^{F42} ... without being signed as required by this section,the society or branch and every officer of it who is in default is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Textual Amendments

- F42** Words in s. 76 omitted (1.4.2013) by virtue of The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 30 (with Sch. 12)

Commencement Information

- I3** S. 76 wholly in force; s. 76 not in force at Royal Assent see s. 126(2); s. 76 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, Sch. 1; s. 76 in force for all remaining purposes at 1.1.1994 by S.I. 1993/2213, art. 2(1), Sch. 5

77 Information on appointed actuary to be annexed to balance sheet.

- (1) This section applies to any copy of a friendly society's balance sheet which—

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- [^{F43}(a) is furnished under section 78 to the FCA and, if the society is a PRA-
authorised person, the PRA;
- (aa) is furnished to either the FCA or the PRA at its request;]
- (b) is laid before the society at its annual general meeting; or
- (c) is furnished to a member at his request.
- (2) Subject to the provisions of this section, a friendly society shall annex to each copy of its balance sheet to which this section applies as respects every person who, at any time during the financial year to which the balance sheet relates, was its appointed actuary, a statement of the following information—
- (a) whether the actuary was a member of the society or any subsidiary of the society at any time during that year;
- (b) particulars of any pecuniary interest of the actuary in any transaction between the actuary and the society or any subsidiary of the society and subsisting at any time during that year or, in the case of transactions of a minor character, a general description of such interests;
- (c) the aggregate amount of any remuneration and the value of any other benefits other than a pension or other future or contingent benefit under any contract of service of the actuary with, or contract for services by the actuary to, the society or any subsidiary of the society, receivable by the actuary in respect of any period in that year; and
- (d) a general description of any other pecuniary benefit (including any pension and other future contingent benefit) received by the actuary from the society or any subsidiary of the society in that year or receivable by him from the society or any such subsidiary,
- together with a statement that the society has made a request to the actuary to furnish to it the particulars specified in this subsection and identifying any particulars furnished pursuant to the request.
- (3) Subsection (2) above applies in relation—
- (a) to the actuary's spouse [^{F44}or civil partner];
- (b) to a partner of the actuary;
- (c) to any child or step-child of the actuary who is under 18;
- (d) to any person (other than the society concerned or any subsidiary of that society) of whom the actuary is an employee; and
- (e) to any body corporate (other than the society concerned or any subsidiary of that society) of which the actuary is a director or which is controlled by him,
- as it applies in relation to the actuary.
- (4) For the purposes of subsection (3) above, an actuary shall be taken to control a body corporate if he is a person—
- (a) in accordance with whose directions or instructions the directors of that body corporate or of a body corporate of which it is a subsidiary are accustomed to act; or
- (b) who, either alone or with any other person falling within that subsection, is entitled to exercise or controls the exercise of, one-third or more of the voting power at any general meeting of the body corporate or of a body corporate of which it is a subsidiary.
- (5) If a friendly society fails to annex the statement required by subsection (2) above to a copy of its balance sheet to which this section applies, the society concerned shall be

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guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Textual Amendments

- F43** S. 77(1)(a)(aa) substituted for s. 77(1)(a) (1.4.2013) by [The Financial Services Act 2012 \(Mutual Societies\) Order 2013 \(S.I. 2013/496\)](#), art. 1(1), [Sch. 9 para. 31](#) (with Sch. 12)
- F44** Words in s. 77(3)(a) inserted (5.12.2005) by [Civil Partnership Act 2004 \(c. 33\)](#), s. 263(10)(b), [Sch. 27 para. 141](#); S.I. 2005/3175, art. 2(2)

Commencement Information

- I4** S. 77 wholly in force; s. 77 not in force at Royal Assent see [s. 126\(2\)](#); s. 77 in force for certain purposes at 13.1.1993 by [S.I. 1993/16](#), art. 2, [Sch. 1](#); s. 77 in force for all remaining purposes at 1.1.1994 by [S.I. 1993/2213](#), art. 2(1), [Sch. 5](#)

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