

SCHEDULES

SCHEDULE 14

AUDITORS: APPOINTMENT, TENURE, QUALIFICATIONS AND REMUNERATION

*Power of [F¹appropriate authority] to require second audit***Textual Amendments**

- F1** Words in Sch. 14 para. 9 cross-heading substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), Sch. 9 para. 55(4) (with Sch. 12)

- 9 (1) Where a person appointed auditor under this Schedule was, for any part of the period during which the audit was conducted, ineligible for appointment to that office, the [F²appropriate authority] may direct the friendly society or registered branch concerned to retain a person eligible for appointment as auditor under this Schedule—
- (a) to audit the relevant accounts again; or
 - (b) to review the first audit and to report (giving his reasons) whether a second audit is needed;
- and the society or branch shall comply with such a direction within 21 days of its being given.
- (2) If a second audit is recommended, the society or branch shall forthwith take such steps as are necessary to comply with the recommendation.
- [F³(3) Where a direction is given to a society or branch under this paragraph the [F⁴PRA must send a copy of the direction to the FCA and the FCA must] place a copy of the direction in the public file of the society.
- (3A) Where a society or branch receives a report under sub-paragraph (1)(b) above, it shall within 21 days send a copy of it to the [F⁵FCA and, if the society is a PRA-authorized person, the PRA, and the FCA must place a copy of the report] in the public file.]
- (4) Any statutory or other provisions applying in relation to the first audit shall apply, so far as practicable, in relation to a second audit under this paragraph.
- (5) If a society or branch fails to comply with the requirements of this paragraph, it is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale; and in the case of a continuing offence to an additional fine not exceeding [F⁶one-tenth of that level][F⁶one-tenth of the greater of £5,000 or level 4 on the standard scale] for every day during which the offence continues.
- (6) A direction under this paragraph is, on the application of the [F⁷appropriate authority], enforceable by injunction or, in Scotland, by an order under section 45 of the ^{M1}Court of Session Act 1988.

Changes to legislation: There are currently no known outstanding effects for the Friendly Societies Act 1992,
 Cross Heading: Power of appropriate authority to require second audit. (See end of Document for details)

- (7) If a person accepts an appointment, or continues to act, as an auditor under this Act at a time when he knows he is ineligible, the society concerned may recover from him any costs incurred by it in complying with the requirements of this paragraph.

Textual Amendments

- F2** Words in Sch. 14 para. 9(1) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 55(5)(a)** (with Sch. 12)
- F3** Sch. 14 para. 9(3)(3A) substituted (17.8.2001 or specified purposes and otherwise 1.12.2001) for Sch. 14 para. 9(3) by S.I. 2001/2617, arts. 2, 8(1), 13(1), **Sch. 3 para. 127(d)(ii)** (with art. 13(3), Sch. 5); S.I. 2001/3538, **art. 2(1)**
- F4** Words in Sch. 14 para. 9(3) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 55(5)(b)** (with Sch. 12)
- F5** Words in Sch. 14 para. 9(3A) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 55(5)(c)** (with Sch. 12)
- F6** Words in Sch. 14 para. 9(5) substituted (E.W.) (12.3.2015) by The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Fines on Summary Conviction) Regulations 2015 (S.I. 2015/664), reg. 1(1), **Sch. 3 para. 7(4)(b)** (with reg. 5(1))
- F7** Words in Sch. 14 para. 9(6) substituted (1.4.2013) by The Financial Services Act 2012 (Mutual Societies) Order 2013 (S.I. 2013/496), art. 1(1), **Sch. 9 para. 55(5)(d)** (with Sch. 12)

Commencement Information

- I1** Sch. 14 para. 9 wholly in force; Sch. 14 para. 9 not in force at Royal Assent see s. 126(2); Sch. 14 para. 9 in force for certain purposes at 13.1.1993 by S.I. 1993/16, art. 2, **Sch. 1**; Sch. 14 para. 9 in force to the extent not already in force at 1.1.1994 by S.I. 1993/2213, art. 2(1), **Sch. 5**

Marginal Citations

- M1** 1988 c. 36.

Changes to legislation:

There are currently no known outstanding effects for the Friendly Societies Act 1992, Cross
Heading: Power of appropriate authority to require second audit.