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# Companies Act 2006

## 2006 CHAPTER 46

### PART 16

#### AUDIT

### CHAPTER 3

#### FUNCTIONS OF AUDITOR

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**Modifications etc. (not altering text)**

- C1** Pts. 1-39 modified (31.12.2020) by Regulation (EC) No. 2157/2001, Art. AAA1(3) (as inserted by [The European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2018](#) (S.I. 2018/1298), regs. 1, **97** (with regs. 140-145) (as amended by [S.I. 2020/523](#), regs. 1(2), 5(a)-(f)); 2020 c. 1, Sch. 5 para. 1(1))

#### *Auditor's report*

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**Modifications etc. (not altering text)**

- C2** Ss. 495-497 applied (with modifications) by [S.I. 2008/373](#), **reg. 7(1)(1A)** (as substituted and inserted (1.1.2018) by [The Statutory Auditors Regulations 2017](#) (S.I. 2017/1164), **reg. 1(2)(3)**, **9** (with **reg. 2(6)(7)**))

#### **495 Auditor's report on company's annual accounts**

- (1) A company's auditor must make a report to the company's members on all annual accounts of the company of which copies are, during his tenure of office—
- (a) in the case of a private company, to be sent out to members under section 423;

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- (b) in the case of a public company, to be laid before the company in general meeting under section 437.

[<sup>F1</sup>(2) The auditor's report must include—

- (a) the identity of the company 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.]

(3) The report must state clearly whether, in the auditor's opinion, 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 company as at the end of the financial year,
  - (ii) in the case of an individual profit and loss account, of the profit or loss of the company for the financial year,
  - (iii) in the case of group accounts, of the state of affairs as at the end of the financial year and of the profit or loss for the financial year of the undertakings included in the consolidation as a whole, so far as concerns members of the company;
- (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 <sup>F2</sup>....

Expressions used in this subsection [<sup>F3</sup>or subsection (3A)] that are defined for the purposes of Part 15 (see [<sup>F4</sup>sections 464, 471 and 474]) have the same meaning as in that Part.

[<sup>F5</sup>(3A) The following provisions apply to the auditors of a company which qualifies as a micro-entity in relation to a financial year (see sections 384A and 384B) in their consideration of whether the Companies Act individual accounts of the company for that year give a true and fair view as mentioned in subsection (3)(a)—

- (a) where the accounts comprise only micro-entity minimum accounting items, the auditors must disregard any provision of an accounting standard which would require the accounts to contain information additional to those items,
- (b) in relation to a micro-entity minimum accounting item contained in the accounts, the auditors must disregard any provision of an accounting standard which would require the accounts to contain further information in relation to that item, and
- (c) where the accounts contain an item of information additional to the micro-entity minimum accounting items, the auditors must have regard to any provision of an accounting standard which relates to that item.]

[<sup>F6</sup>(4) The auditor's report—

- (a) must be either unqualified or qualified,
- (b) must include a reference to any matters to which the auditor wishes to draw attention by way of emphasis without qualifying the report,
- (c) must include a statement on any material uncertainty relating to events [<sup>F7</sup>or conditions] that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting, and

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(d) must identify the auditor's place of establishment.]

[<sup>F8</sup>(5) Where more than one person is appointed as an auditor—

- (a) all the persons appointed must jointly make a report under this section and the report must include a statement as to whether all the persons appointed agree on the matters contained in the report, and
- (b) if all the persons appointed cannot agree on the matters contained in the report, the report must include the opinions of each person appointed and give reasons for the disagreement.]

#### Textual Amendments

- F1** S. 495(2) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 13(2)** (with reg. 1(12))
- F2** Words in s. 495(3)(c) omitted (31.12.2020) by virtue of [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. 23** (with reg. 1(3)-(8), Sch. 1 para. 64) (as amended by S.I. 2020/335, regs. 1, 3, 4 and S.I. 2020/523, regs. 1(2), 22, 25(b)); 2020 c. 1, Sch. 5 para. 1(1)
- F3** Words in s. 495(3) inserted (with effect in accordance with reg. 2(2) of the amending S.I.) by [The Small Companies \(Micro-Entities' Accounts\) Regulations 2013 \(S.I. 2013/3008\)](#), regs. 2(1), **8(2)(a)** (with reg. 3)
- F4** Words in s. 495(3) substituted (with effect in accordance with reg. 2(2) of the amending S.I.) by [The Small Companies \(Micro-Entities' Accounts\) Regulations 2013 \(S.I. 2013/3008\)](#), regs. 2(1), **8(2)(b)** (with reg. 3)
- F5** S. 495(3A) inserted (with effect in accordance with reg. 2(2) of the amending S.I.) by [The Small Companies \(Micro-Entities' Accounts\) Regulations 2013 \(S.I. 2013/3008\)](#), regs. 2(1), **8(3)** (with reg. 3)
- F6** S. 495(4) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 13(3)** (with reg. 1(12))
- F7** Words in s. 495(4)(c) inserted (with effect in accordance with reg. 1(6)(8) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **12(16)**
- F8** S. 495(5) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 13(4)** (with reg. 1(12))

#### Modifications etc. (not altering text)

- C3** S. 495 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 3**
- C4** S. 495 applied (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 7** (as amended (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 7** (with reg. 2(6)(7)))
- C5** S. 495 applied (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), **reg. 8(1)(a)**, Sch. para. 1 (with Sch. para. 11)
- C6** S. 495 applied (6.4.2008) by [The Partnerships \(Accounts\) Regulations 2008 \(S.I. 2008/569\)](#), **reg. 9(a)**
- C7** S. 495 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 39** (as amended (with effect in accordance with reg. 2(2)-(5) of the amending S.I.) by [The Limited Liability Partnerships, Partnerships and Groups \(Accounts and Audit\) Regulations 2016 \(S.I. 2016/575\)](#), regs. 2(1), **24**)
- C8** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

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- C9** S. 495 applied (with modifications) (31.7.2015) by [The European Grouping of Territorial Cooperation Regulations 2015 \(S.I. 2015/1493\)](#), regs. 1(2), **7(1)** (with reg. 11)
- C10** [Ss. 495, 496](#) applied (with modifications) by [S.I. 2008/1911](#), **reg. 39** (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 13** (with reg. 2(6)(7)))
- C11** S. 495 applied (with modifications) (E.W.S.) (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), regs. 1(2), **9(4)-(8)**
- C12** S. 495 applied (with modifications) (N.I.) (6.4.2022) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/121\)](#), regs. 1, **9(4)-(8)**
- C13** S. 495 applied (with modifications) (N.I.) (3.10.2022) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/234\)](#), regs. 1, **9(4)-(8)**
- C14** S. 495 applied (with modifications) (N.I.) (1.4.2023) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/59\)](#), regs. 1, **9(5)(b)**
- C15** S. 495 applied (with modifications) (N.I.) (29.9.2023) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/148\)](#), regs. 1, **9(4)-(8)**
- C16** S. 495(1) excluded (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 7(1)(b)**
- C17** S. 495(1) excluded by [S.I. 2008/373](#), reg. 9(1)(1A) (as substituted (1.1.2018) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **10(a)** (with reg. 2(6)(7)))
- C18** S. 495(2)-(4) applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), **ss. 44(2)(b)**, 148(2)(b)
- C19** S. 495(2)-(4) applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), **ss. 44(3)(b)**, 148(2)(b)

## 496 Auditor's report on strategic report and on directors' report

- [<sup>F9</sup>(1) In his report on the company's annual accounts, the auditor must—
- (a) state whether, in his opinion, based on the work undertaken in the course of the audit—
    - (i) the information given in the strategic report (if any) and the directors' report for the financial year for which the accounts are prepared is consistent with those accounts, and
    - (ii) any such strategic report and the directors' report have been prepared in accordance with applicable legal requirements,
  - (b) state whether, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, he has identified material misstatements in the strategic report (if any) and the directors' report, and
  - (c) if applicable, give an indication of the nature of each of the misstatements referred to in paragraph (b).]

[<sup>F10</sup>(2) Where more than one person is appointed as auditor, the report must include a statement as to whether all the persons appointed agree on the statements and indications given under subsection (1) and, if they cannot agree on those statements and indications, the report must include the opinions of each person appointed and give reasons for the disagreement.]

### Textual Amendments

- F9** Words in s. 496 renumbered as s. 496(1) (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 14(2)** (with reg. 1(12))

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**F10** S. 496(2) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 14(2)** (with reg. 1(12))

#### **Modifications etc. (not altering text)**

- C10** Ss. 495, 496 applied (with modifications) by [S.I. 2008/1911](#), **reg. 39** (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 13** (with reg. 2(6)(7)))
- C20** S. 496 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 3**
- C21** Ss. 496-501 applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), **ss. 44(2)(b)**, 148(2)(b)
- C22** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C23** S. 496 applied (with modifications) (31.7.2015) by [The European Grouping of Territorial Cooperation Regulations 2015 \(S.I. 2015/1493\)](#), regs. 1(2), **7(1)** (with reg. 11)
- C24** Ss. 496, 497 applied (with modifications) by [S.I. 2008/373](#), **reg. 9(1)(1A)** (as substituted (1.1.2018) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **10(a)** (with reg. 2(6)(7)))
- C25** S. 496 applied (with modifications) by [S.I. 2008/565](#), **reg. 7(1)(aa)** (as amended (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 7** (with reg. 2(6)(7)))
- C26** S. 496 applied (with modifications) (E.W.S.) (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), regs. 1(2), **9(4)-(8)**
- C27** S. 496 applied (with modifications) (N.I.) (6.4.2022) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/121\)](#), regs. 1, **9(4)-(8)**
- C28** S. 496 applied (with modifications) (N.I.) (3.10.2022) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/234\)](#), regs. 1, **9(4)-(8)**
- C29** S. 496 applied (with modifications) (N.I.) (1.4.2023) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/59\)](#), regs. 1, **9(5)(c)**
- C30** S. 496 applied (with modifications) (N.I.) (29.9.2023) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/148\)](#), regs. 1, **9(4)-(8)**

#### **497 Auditor's report on auditable part of directors' remuneration report**

- (1) If the company is a quoted company [<sup>F11</sup>or unquoted traded company], the auditor, in his report on the company's annual accounts for the financial year, must—
- report to the company's members on the auditable part of the directors' remuneration report, and
  - state whether in his opinion that part of the directors' remuneration report has been properly prepared in accordance with this Act.
- (2) For the purposes of this Part, “the auditable part” of a directors' remuneration report is the part identified as such by regulations under section 421.

[<sup>F12</sup>(3) In this section “unquoted traded company” means a traded company (as defined by section 360C) that is not a quoted company.]

#### **Textual Amendments**

- F11** Words in s. 497(1) inserted (10.6.2019) by [The Companies \(Directors Remuneration Policy and Directors Remuneration Report\) Regulations 2019 \(S.I. 2019/970\)](#), regs. 1, **25(a)**

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**F12** S. 497(3) inserted (10.6.2019) by [The Companies \(Directors Remuneration Policy and Directors Remuneration Report\) Regulations 2019 \(S.I. 2019/970\)](#), regs. 1, **25(b)**

**Modifications etc. (not altering text)**

**C24** Ss. 496, 497 applied (with modifications) by [S.I. 2008/373](#), **reg. 9(1)(1A)** (as substituted (1.1.2018) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **10(a)** (with reg. 2(6)(7)))

**C31** Ss. 496-501 applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), **ss. 44(2)(b)**, 148(2)(b)

**C32** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

**497A Auditor's report on separate corporate governance statement**

[<sup>F13</sup>(1) Where the company prepares a separate corporate governance statement in respect of a financial year, the auditor must, in his report of the company's annual accounts for that year—

- (a) state whether, in his opinion, based on the work undertaken in the course of the audit, the information given in the statement in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (information about internal control and risk management systems in relation to financial reporting processes and about share capital structures)—
  - (i) is consistent with those accounts, and
  - (ii) has been prepared in accordance with applicable legal requirements,
- (b) state whether, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, he has identified material misstatements in the information in the statement referred to in paragraph (a),
- (c) if applicable, give an indication of the nature of each of the misstatements referred to in paragraph (b), and
- (d) state whether, in his opinion, based on the work undertaken in the course of the audit, rules 7.2.2, 7.2.3 and 7.2.7 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees) have been complied with, if applicable.]

[<sup>F14</sup>(2) Where more than one person is appointed as auditor, the report must include a statement as to whether all the persons appointed agree on the statements and indications given under subsection (1) and, if they cannot agree on those statements and indications, the report must include the opinions of each person appointed and give reasons for the disagreement.]

**Textual Amendments**

**F13** Words in s. 497A renumbered as s. 497A(1) (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 15(2)** (with reg. 1(12))

**F14** S. 497A(2) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 15(2)** (with reg. 1(12))

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**Modifications etc. (not altering text)**

- C33** Ss. 496-501 applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), **ss. 44(2)(b)**, 148(2)(b)
- C34** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in [regs. 7, 9](#), [Sch. 2](#))

*Duties and rights of auditors*

**498 Duties of auditor**

- (1) A company's auditor, in preparing his report, must carry out such investigations as will enable him to form an opinion as to—
- (a) whether adequate accounting records have been kept by the company and returns adequate for their audit have been received from branches not visited by him, and
  - (b) whether the company's individual accounts are in agreement with the accounting records and returns, and
  - (c) in the case of a quoted company [<sup>F15</sup>or unquoted traded company], whether the auditable part of the company's directors' remuneration report is in agreement with the accounting records and returns.
- (2) If the auditor is of the opinion—
- (a) that adequate accounting records have not been kept, or that returns adequate for their audit have not been received from branches not visited by him, or
  - (b) that the company's individual accounts are not in agreement with the accounting records and returns, or
  - (c) in the case of a quoted company [<sup>F16</sup>or unquoted traded company], that the auditable part of its directors' remuneration report is not in agreement with the accounting records and returns,
- the auditor shall state that fact in his report.
- (3) If the auditor 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.
- (4) If—
- (a) the requirements of regulations under section 412 (disclosure of directors' benefits: remuneration, pensions and compensation for loss of office) are not complied with in the annual accounts, or
  - (b) in the case of a quoted company, the requirements of regulations under section 421 as to information forming the auditable part of the directors' remuneration report are not complied with in that report,
- the auditor must include in his report, so far as he is reasonably able to do so, a statement giving the required particulars.
- [<sup>F17</sup>(5) If the directors of the company—
- (a) have prepared accounts in accordance with the small companies regime, or
  - (b) have taken advantage of small companies exemption [<sup>F18</sup>from the requirement to prepare a strategic report or] in preparing the directors' report,

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and in the auditor's opinion they were not entitled to do so, the auditor shall state that fact in his report.]

[<sup>F19</sup>(6) Where more than one person is appointed as auditor, the report must include a statement as to whether all the persons appointed agree on the statements given under subsections (2) to (5) and, if they cannot agree on those statements, the report must include the opinions of each person appointed and give reasons for the disagreement.]

[<sup>F20</sup>(7) In this section “unquoted traded company” means a traded company (as defined by section 360C) that is not a quoted company.]

### Textual Amendments

- F15** Words in s. 498(1)(c) inserted (10.6.2019) by [The Companies \(Directors Remuneration Policy and Directors Remuneration Report\) Regulations 2019 \(S.I. 2019/970\)](#), regs. 1, **26(a)**
- F16** Words in s. 498(2)(c) inserted (10.6.2019) by [The Companies \(Directors Remuneration Policy and Directors Remuneration Report\) Regulations 2019 \(S.I. 2019/970\)](#), regs. 1, **26(a)**
- F17** S. 498(5) substituted (6.4.2008 with effect as mentioned in reg. 2(2) of the amending Regulations) by [The Companies Act 2006 \(Amendment\) \(Accounts and Reports\) Regulations 2008 \(2008/393\)](#), reg. 6(10)
- F18** Words in s. 498(5)(b) inserted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Companies Act 2006 \(Strategic Report and Directors' Report\) Regulations 2013 \(S.I. 2013/1970\)](#), reg. 1(2)(3), **Sch. para. 22**
- F19** S. 498(6) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 16(2)** (with reg. 1(12))
- F20** S. 498(7) inserted (10.6.2019) by [The Companies \(Directors Remuneration Policy and Directors Remuneration Report\) Regulations 2019 \(S.I. 2019/970\)](#), regs. 1, **26(b)**

### Modifications etc. (not altering text)

- C35** S. 498 applied (with modifications) (6.4.2008 with application as mentioned in reg. 1(2) of the affecting Regulations) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 7(1)(a)**
- C36** S. 498 applied (with modifications) (6.4.2008 with application as mentioned in reg. 1(2) of the affecting Regulations) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 3**
- C37** S. 498 applied (6.4.2008 with application as mentioned in reg. 1(2) of the affecting Regulations) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 7(1)(b)** (as amended (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 7** (with reg. 2(6)(7)))
- C38** S. 498 applied (6.4.2008 with application as mentioned in reg. 1(2) of the affecting Regulations) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), regs. 4, **8(1)(b)**, **Sch. para. 1** (with **Sch. para. 11**)
- C39** S. 498 applied (6.4.2008 with application as mentioned in reg. 1(2) of the affecting Regulations) by [The Partnerships \(Accounts\) Regulations 2008 \(S.I. 2008/569\)](#), **reg. 9(b)**
- C40** Ss. 498-502 applied (with modifications) (1.10.2008 with application as mentioned in reg. 2 of the affecting Regulations) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 40** (as amended (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 85, **Sch. 3 para. 16**) (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 14** (with reg. 2(6)(7)))



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- C41 Ss. 496-501 applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), **ss. 44(2)(b)**, 148(2)(b)
- C42 Ss. 498-501 applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), **ss. 44(3)(b)**, 148(2)(b)
- C43 Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C44 Ss. 498-501 applied (with modifications) (31.7.2015) by [The European Grouping of Territorial Cooperation Regulations 2015 \(S.I. 2015/1493\)](#), regs. 1(2), **7(1)** (with reg. 11)
- C45 S. 498 applied (with modifications) by S.I. 2008/373, reg. 9(1)(1A) (as substituted (1.1.2018) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **10(a)** (with reg. 2(6)(7)))
- C46 S. 498 applied (with modifications) (E.W.S.) (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), regs. 1(2), **9(4)-(8)**
- C47 S. 498 applied (with modifications) (N.I.) (6.4.2022) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/121\)](#), regs. 1, **9(4)-(8)**
- C48 S. 498 applied (with modifications) (N.I.) (3.10.2022) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/234\)](#), regs. 1, **9(4)-(8)**
- C49 S. 498 applied (with modifications) (N.I.) (1.4.2023) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/59\)](#), regs. 1, **9(5)(d)**
- C50 S. 498 applied (with modifications) (N.I.) (29.9.2023) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/148\)](#), regs. 1, **9(4)-(8)**

[<sup>F21</sup>  
498A **Auditor's duties in relation to separate corporate governance statement**

Where the company is required to prepare a corporate governance statement in respect of a financial year and no such statement is included in the directors' report—

- (a) the company's auditor, in preparing his report on the company's annual accounts for that year, must ascertain whether a corporate governance statement has been prepared, and
- (b) if it appears to the auditor that no such statement has been prepared, he must state that fact in his report.]

**Textual Amendments**

- F21 S. 498A inserted (27.6.2009) by [The Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), **reg. 7** (with application as stated in [reg. 1\(3\)](#))

**Modifications etc. (not altering text)**

- C44 Ss. 498-501 applied (with modifications) (31.7.2015) by [The European Grouping of Territorial Cooperation Regulations 2015 \(S.I. 2015/1493\)](#), regs. 1(2), **7(1)** (with reg. 11)
- C51 Ss. 496-501 applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), **ss. 44(2)(b)**, 148(2)(b)
- C52 Ss. 498-501 applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), **ss. 44(3)(b)**, 148(2)(b)
- C53 Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

**499 Auditor's general right to information**

- (1) An auditor of a company—

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- (a) has a right of access at all times to the company's books, accounts and vouchers (in whatever form they are held), and
  - (b) may require any of the following persons to provide him with such information or explanations as he thinks necessary for the performance of his duties as auditor.
- (2) Those persons are—
- (a) any officer or employee of the company;
  - (b) any person holding or accountable for any of the company's books, accounts or vouchers;
  - (c) any subsidiary undertaking of the company which is a body corporate incorporated in the United Kingdom;
  - (d) any officer, employee or auditor of any such subsidiary undertaking or any person holding or accountable for any books, accounts or vouchers of any such subsidiary undertaking;
  - (e) any person who fell within any of paragraphs (a) to (d) at a time to which the information or explanations required by the auditor relates or relate.
- (3) A statement made by a person in response to a requirement under this section may not be used in evidence against him in criminal proceedings except proceedings for an offence under section 501.
- (4) Nothing in this section compels a person to disclose information in respect of which a claim to legal professional privilege (in Scotland, to confidentiality of communications) could be maintained in legal proceedings.

#### **Modifications etc. (not altering text)**

- C44** Ss. 498-501 applied (with modifications) (31.7.2015) by [The European Grouping of Territorial Cooperation Regulations 2015 \(S.I. 2015/1493\)](#), [regs. 1\(2\), 7\(1\)](#) (with [reg. 11](#))
- C54** Ss. 499-501 applied (with modifications) (6.4.2008) by [1996 c. 52, Sch. 1 para. 16D](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), [art. 3\(1\)](#), [Sch. 1 para. 202\(3\)](#) (with [arts. 6, 11, 12](#)))
- C55** Ss. 498-502 applied (with modifications) (1.10.2008 with application as mentioned in [reg. 2](#) of the affecting Regulations) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), [reg. 40](#) (as amended (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), [regs. 2, 85](#), [Sch. 3 para. 16](#)) (as amended (with effect in accordance with [reg. 2\(5\)\(a\)](#) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), [reg. 1\(2\)\(3\)](#), [Sch. 3 para. 14](#) (with [reg. 2\(6\)\(7\)](#)))
- C56** Ss. 499-502 applied (with modifications) (1.4.2010.) by [Housing and Regeneration Act 2008 \(c. 17\)](#), [ss. 132\(1\)\(2\), 325](#); [S.I. 2010/862](#), [art. 2](#) (with [Sch.](#))
- C57** S. 499 applied (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), [reg. 7](#)
- C58** S. 499 applied (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), [reg. 8\(1\)\(c\)](#), [Sch. para. 1](#) (with [Sch. para. 11](#))
- C59** S. 499 applied (6.4.2008) by [The Partnerships \(Accounts\) Regulations 2008 \(S.I. 2008/569\)](#), [reg. 9\(c\)](#)
- C60** Ss. 496-501 applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), [ss. 44\(2\)\(b\)](#), [148\(2\)\(b\)](#)
- C61** Ss. 498-501 applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), [ss. 44\(3\)\(b\)](#), [148\(2\)\(b\)](#)

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- C62** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C63** S. 499 applied (with modifications) (E.W.S.) (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), regs. 1(2), **9(4)-(8)**
- C64** S. 499 applied (with modifications) (N.I.) (6.4.2022) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/121\)](#), regs. 1, **9(4)-(8)**
- C65** S. 499 applied (with modifications) (N.I.) (3.10.2022) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/234\)](#), regs. 1, **9(4)-(8)**
- C66** S. 499 applied (with modifications) (N.I.) (1.4.2023) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/59\)](#), regs. 1, **9(5)(e)**
- C67** S. 499 applied (with modifications) (N.I.) (29.9.2023) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/148\)](#), regs. 1, **9(4)-(8)**

## 500 Auditor's right to information from overseas subsidiaries

- (1) Where a parent company has a subsidiary undertaking that is not a body corporate incorporated in the United Kingdom, the auditor of the parent company may require it to obtain from any of the following persons such information or explanations as he may reasonably require for the purposes of his duties as auditor.
- (2) Those persons are—
  - (a) the undertaking;
  - (b) any officer, employee or auditor of the undertaking;
  - (c) any person holding or accountable for any of the undertaking's books, accounts or vouchers;
  - (d) any person who fell within paragraph (b) or (c) at a time to which the information or explanations relates or relate.
- (3) If so required, the parent company must take all such steps as are reasonably open to it to obtain the information or explanations from the person concerned.
- (4) A statement made by a person in response to a requirement under this section may not be used in evidence against him in criminal proceedings except proceedings for an offence under section 501.
- (5) Nothing in this section compels a person to disclose information in respect of which a claim to legal professional privilege (in Scotland, to confidentiality of communications) could be maintained in legal proceedings.

### Modifications etc. (not altering text)

- C44** Ss. 498-501 applied (with modifications) (31.7.2015) by [The European Grouping of Territorial Cooperation Regulations 2015 \(S.I. 2015/1493\)](#), regs. 1(2), **7(1)** (with reg. 11)
- C68** Ss. 499-501 applied (with modifications) (6.4.2008) by [1996 c. 52, Sch. 1 para. 16D](#) (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C69** Ss. 498-502 applied (with modifications) (1.10.2008 with application as mentioned in reg. 2 of the affecting Regulations) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 40** (as amended (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 85, **Sch. 3 para. 16**) (as amended (with effect in accordance with reg. 2(5)(a) of

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the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 14** (with reg. 2(6)(7))

- C70** Ss. 499-502 applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), **ss. 132(1)(2)**, 325; [S.I. 2010/862](#), **art. 2** (with Sch.)
- C71** Ss. 496-501 applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), **ss. 44(2)(b)**, 148(2)(b)
- C72** Ss. 498-501 applied (with modifications) (prosp.) by [Local Democracy, Economic Development and Construction Act 2009 \(c. 20\)](#), **ss. 44(3)(b)**, 148(2)(b)
- C73** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

## 501 Auditor's rights to information: offences

- (1) A person commits an offence who knowingly or recklessly makes to an auditor of a company a statement (oral or written) that—
  - (a) conveys or purports to convey any information or explanations which the auditor requires, or is entitled to require, under section 499, and
  - (b) is misleading, false or deceptive in a material particular.
- (2) A person guilty of an offence under subsection (1) is liable—
  - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
  - (b) on summary conviction—
    - (i) in England and Wales, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);
    - (ii) in Scotland or Northern Ireland, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum (or both).
- (3) A person who fails to comply with a requirement under section 499 without delay commits an offence unless it was not reasonably practicable for him to provide the required information or explanations.
- (4) If a parent company fails to comply with section 500, an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.
- (5) A person guilty of an offence under subsection (3) or (4) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (6) Nothing in this section affects any right of an auditor to apply for an injunction (in Scotland, an interdict or an order for specific performance) to enforce any of his rights under section 499 or 500.

### Modifications etc. (not altering text)

- C44** Ss. 498-501 applied (with modifications) (31.7.2015) by [The European Grouping of Territorial Cooperation Regulations 2015 \(S.I. 2015/1493\)](#), regs. 1(2), **7(1)** (with reg. 11)

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- C74** Ss. 499-501 applied (with modifications) (6.4.2008) by 1996 c. 52, Sch. 1 para. 16D (as substituted by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C75** Ss. 498-502 applied (with modifications) (1.10.2008 with application as mentioned in reg. 2 of the affecting Regulations) by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (S.I. 2008/1911), **reg. 40** (as amended (1.10.2009) by The Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009 (S.I. 2009/1804), regs. 2, 85, **Sch. 3 para. 16**) (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 14** (with reg. 2(6)(7)))
- C76** Ss. 499-502 applied (with modifications) (1.4.2010) by Housing and Regeneration Act 2008 (c. 17), **ss. 132(1)(2)**, 325; S.I. 2010/862, **art. 2** (with Sch.)
- C77** Ss. 496-501 applied (with modifications) (prosp.) by Local Democracy, Economic Development and Construction Act 2009 (c. 20), **ss. 44(2)(b)**, 148(2)(b)
- C78** Ss. 498-501 applied (with modifications) (prosp.) by Local Democracy, Economic Development and Construction Act 2009 (c. 20), **ss. 44(3)(b)**, 148(2)(b)
- C79** Ss. 484-539 applied (with modifications) (1.10.2009) by The Unregistered Companies Regulations 2009 (S.I. 2009/2436), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

## 502 Auditor's rights in relation to resolutions and meetings

- (1) In relation to a written resolution proposed to be agreed to by a private company, the company's auditor is entitled to receive all such communications relating to the resolution as, by virtue of any provision of Chapter 2 of Part 13 of this Act, are required to be supplied to a member of the company.
- (2) A company's auditor is entitled—
  - (a) to receive all notices of, and other communications relating to, any general meeting which a member of the company is entitled to receive,
  - (b) to attend any general meeting of the company, and
  - (c) to be heard at any general meeting which he attends on any part of the business of the meeting which concerns him as auditor.
- (3) Where the auditor is a firm, the right to attend or be heard at a meeting is exercisable by an individual authorised by the firm in writing to act as its representative at the meeting.

### Modifications etc. (not altering text)

- C80** Ss. 498-502 applied (with modifications) (1.10.2008 with application as mentioned in reg. 2 of the affecting Regulations) by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (S.I. 2008/1911), **reg. 40** (as amended (1.10.2009) by The Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009 (S.I. 2009/1804), regs. 2, 85, **Sch. 3 para. 16**) (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by The Statutory Auditors Regulations 2017 (S.I. 2017/1164), reg. 1(2)(3), **Sch. 3 para. 14** (with reg. 2(6)(7)))
- C81** Ss. 499-502 applied (with modifications) (1.4.2010) by Housing and Regeneration Act 2008 (c. 17), **ss. 132(1)(2)**, 325; S.I. 2010/862, **art. 2** (with Sch.)

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**C82** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

### *Signature of auditor's report*

#### **503 Signature of auditor's report**

- (1) The auditor's report must state the name of the auditor 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 by the senior statutory auditor in his own name, for and on behalf of the auditor.
- [<sup>F22</sup>(4) Where more than one person is appointed as auditor, the report must be signed by all those appointed.]

#### **Textual Amendments**

**F22** S. 503(4) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 17(2)** (with reg. 1(12))

#### **Modifications etc. (not altering text)**

- C83** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 7(5)**
- C84** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 9(5)**
- C85** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 8**
- C86** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), regs. 4, **9**, Sch. para. 10 (with Sch. para. 11) (as amended (1.4.2013) by [S.I. 2013/472](#), Sch. 2 para. 138(c))
- C87** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Partnerships \(Accounts\) Regulations 2008 \(S.I. 2008/569\)](#), **reg. 10**, Sch. Pt. 2
- C88** S. 503 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 3**
- C89** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C90** S. 503 applied (with modifications) in part (31.7.2015) by [The European Grouping of Territorial Cooperation Regulations 2015 \(S.I. 2015/1493\)](#), regs. 1(2), **7(1)** (with reg. 11)
- C91** S. 503 applied (with modifications) (E.W.S.) (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), regs. 1(2), **9(4)-(8)**
- C92** Ss. 503-506 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 41** (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 15** (with reg. 2(6)(7)) and as amended (31.12.2020) by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)](#), regs. 2, **52**; 2020 c. 1, **Sch. 5 para. 1(1)**)
- C93** S. 503 applied (with modifications) (N.I.) (6.4.2022) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/121\)](#), regs. 1, **9(4)-(8)**

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- C94** S. 503 applied (with modifications) (N.I.) (3.10.2022) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/234\)](#), regs. 1, **9(4)-(8)**
- C95** S. 503 applied (with modifications) (N.I.) (1.4.2023) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/59\)](#), regs. 1, **9(5)(f)**
- C96** S. 503 applied (with modifications) (N.I.) (29.9.2023) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/148\)](#), regs. 1, **9(4)-(8)**

## 504 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—
  - <sup>F23</sup>(a) .....
  - (b) <sup>F24</sup>... any relevant guidance issued by—
    - (i) the Secretary of State, or
    - (ii) a body appointed by order of the Secretary of State.
- (2) The person identified as senior statutory auditor must be eligible for appointment as auditor of the company in question (see Chapter 2 of Part 42 of 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.
- (4) An order appointing a body for the purpose of subsection (1)(b)(ii) is subject to negative resolution procedure.

### Textual Amendments

- F23** S. 504(1)(a) omitted (31.12.2020) by virtue of [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)](#), regs. 2, **7(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F24** Words in s. 504(1)(b) omitted (31.12.2020) by virtue of [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)](#), regs. 2, **7(b)**; 2020 c. 1, Sch. 5 para. 1(1)

### Modifications etc. (not altering text)

- C92** Ss. 503-506 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 41** (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 15** (with reg. 2(6)(7)) and as amended (31.12.2020) by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)](#), regs. 2, **52**; 2020 c. 1, **Sch. 5 para. 1(1)**)
- C97** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 7(5)**
- C98** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 9(5)**
- C99** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 8**
- C100** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), regs. 4, **9**, Sch. para. 10 (with Sch. para. 11) (as amended (1.4.2013) by [S.I. 2013/472](#), Sch. 2 para. 138(c))
- C101** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Partnerships \(Accounts\) Regulations 2008 \(S.I. 2008/569\)](#), **reg. 10**, Sch. Pt. 2

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- C102** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C103** S. 504 applied (with modifications) (E.W.S.) (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), regs. 1(2), **9(4)-(8)**
- C104** S. 504 applied (with modifications) (N.I.) (6.4.2022) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/121\)](#), regs. 1, **9(4)-(8)**
- C105** S. 504 applied (with modifications) (N.I.) (3.10.2022) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/234\)](#), regs. 1, **9(4)-(8)**
- C106** S. 504 applied (with modifications) (N.I.) (1.4.2023) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/59\)](#), regs. 1, **9(5)(g)**
- C107** S. 504 applied (with modifications) (N.I.) (29.9.2023) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/148\)](#), regs. 1, **9(4)-(8)**

#### Commencement Information

- II** S. 504 wholly in force at 6.4.2008; s. 504 not in force at Royal Assent, see s. 1300; s. 504 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to **art. 5**, **Sch. 1** and with **arts. 6**, **8**, **Sch. 5**); s. 504 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with **arts. 7**, **12**, **Sch. 4 paras. 9-19**)

## 505 Names to be stated in published copies of auditor's report

- (1) Every copy of the auditor's report that is published by or on behalf of the company must—
- (a) state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior statutory auditor, or
  - (b) if the conditions in section 506 (circumstances in which names may be omitted) are met, state that a resolution has been passed and notified to the Secretary of State in accordance with that section.

[<sup>F25</sup>(1A) If more than one person is appointed as auditor, the reference in subsection (1)(a) to 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 company 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 published without the statement required by this section, an offence is committed by—
- (a) the company, and
  - (b) every officer of the company who is in default.
- (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

- F25** S. 505(1A) inserted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 18(2)** (with reg. 1(12))



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#### **Modifications etc. (not altering text)**

- C92** Ss. 503-506 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 41** (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 15** (with reg. 2(6)(7)) and as amended (31.12.2020) by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)](#), regs. 2, **52**; 2020 c. 1, **Sch. 5 para. 1(1)**)
- C108** Ss. 505, 506 applied (with modifications) (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), reg. 4, **Sch. para. 10** (with Sch. para. 11)
- C109** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 7(5)**
- C110** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 9(5)**
- C111** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 8**
- C112** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), regs. 4, **9**, Sch. para. 10 (with Sch. para. 11) (as amended (1.4.2013) by [S.I. 2013/472](#), Sch. 2 para. 138(c))
- C113** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Partnerships \(Accounts\) Regulations 2008 \(S.I. 2008/569\)](#), **reg. 10**, Sch. Pt. 2
- C114** Ss. 505, 506 applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), **ss. 132(1)(3)**, 325; [S.I. 2010/862](#), **art. 2** (with Sch.)
- C115** S. 505 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 3**
- C116** Ss. 505, 506 applied (with modifications) (6.4.2008) by 1996 c. 52, Sch. 1 para. 16D (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C117** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C118** S. 505 applied (with modifications) in part (31.7.2015) by [The European Grouping of Territorial Cooperation Regulations 2015 \(S.I. 2015/1493\)](#), regs. 1(2), **7(1)** (with reg. 11)
- C119** S. 505 applied (with modifications) (E.W.S.) (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), regs. 1(2), **9(4)-(8)**
- C120** S. 505 applied (with modifications) (N.I.) (6.4.2022) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/121\)](#), regs. 1, **9(4)-(8)**
- C121** S. 505 applied (with modifications) (N.I.) (3.10.2022) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/234\)](#), regs. 1, **9(4)-(8)**
- C122** S. 505 applied (with modifications) (N.I.) (1.4.2023) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/59\)](#), regs. 1, **9(5)(h)**
- C123** S. 505 applied (with modifications) (N.I.) (29.9.2023) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/148\)](#), regs. 1, **9(4)-(8)**

#### **506 Circumstances in which names may be omitted**

- (1) [<sup>F26</sup>An auditor's] name and, where the auditor is a firm, the name of the person who signed the report as senior statutory auditor, may be omitted from—
- published copies of the report, and
  - the copy of the report delivered to the registrar under Chapter 10 of Part 15 (filing of accounts and reports),
- if the following conditions are met.

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- (2) The conditions are that the company—
- (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 that the name should not be stated, and
  - (b) has given notice of the resolution to the Secretary of State, stating—
    - (i) the name and registered number of the company,
    - (ii) the financial year of the company to which the report relates, and
    - (iii) the name of the auditor and (where the auditor is a firm) the name of the person who signed the report as senior statutory auditor.

### Textual Amendments

**F26** Words in s. 506(1) substituted (with effect in accordance with reg. 1(6)(8) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **12(17)**

### Modifications etc. (not altering text)

- C92** Ss. 503-506 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 41** (as amended (with effect in accordance with reg. 2(5)(a) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 3 para. 15** (with reg. 2(6)(7)) and as amended (31.12.2020) by [The Statutory Auditors and Third Country Auditors \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/177\)](#), regs. 2, **52**; 2020 c. 1, **Sch. 5 para. 1(1)**)
- C124** Ss. 505, 506 applied (with modifications) (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), reg. 4, **Sch. para. 10** (with Sch. para. 11)
- C125** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 7(5)**
- C126** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Companies \(Revision of Defective Accounts and Reports\) Regulations 2008 \(S.I. 2008/373\)](#), **reg. 9(5)**
- C127** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008 \(S.I. 2008/565\)](#), **reg. 8**
- C128** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008 \(S.I. 2008/567\)](#), regs. 4, **9**, Sch. para. 10 (with Sch. para. 11) (as amended (1.4.2013) by S.I. 2013/472, Sch. 2 para. 138(c))
- C129** Ss. 505, 506 applied (with modifications) (6.4.2008) by 1996 c. 52, Sch. 1 para. 16D (as substituted by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 3(1), **Sch. 1 para. 202(3)** (with arts. 6, 11, 12))
- C130** Ss. 503-506 applied (with modifications) (6.4.2008) by [The Partnerships \(Accounts\) Regulations 2008 \(S.I. 2008/569\)](#), **reg. 10**, Sch. Pt. 2
- C131** Ss. 505, 506 applied (with modifications) (1.4.2010) by [Housing and Regeneration Act 2008 \(c. 17\)](#), **ss. 132(1)(3)**, 325; S.I. 2010/862, **art. 2** (with Sch.)
- C132** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)
- C133** S. 506 applied (with modifications) (E.W.S.) (1.10.2018) by [The Occupational Pension Schemes \(Master Trusts\) Regulations 2018 \(S.I. 2018/1030\)](#), regs. 1(2), **9(4)-(8)**
- C134** S. 506 applied (with modifications) (N.I.) (6.4.2022) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/121\)](#), regs. 1, **9(4)-(8)**
- C135** S. 506 applied (with modifications) (N.I.) (3.10.2022) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/234\)](#), regs. 1, **9(4)-(8)**

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**C136** S. 506 applied (with modifications) (N.I.) (1.4.2023) by [The Occupational Pension Schemes \(Master Trusts\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/59\)](#), regs. 1, **9(5)(i)**

**C137** S. 506 applied (with modifications) (N.I.) (29.9.2023) by [The Occupational Pension Schemes \(Master Trusts\) \(No. 2\) Regulations \(Northern Ireland\) 2023 \(S.R. 2023/148\)](#), regs. 1, **9(4)-(8)**

### *Offences in connection with auditor's report*

#### **507 Offences in connection with auditor's report**

- (1) A person to whom this section applies commits an offence if he knowingly or recklessly causes a report under section 495 (auditor's report on company's annual accounts) to include any matter that is misleading, false or deceptive in a material particular.
- (2) A person to whom this section applies commits an offence if he knowingly or recklessly causes such a report to omit a statement required by—
  - (a) section 498(2)(b) (statement that company's accounts do not agree with accounting records and returns),
  - (b) section 498(3) (statement that necessary information and explanations not obtained), or
  - (c) section 498(5) (statement that directors wrongly took advantage of exemption from obligation to prepare group accounts).
- (3) This section applies to—
  - (a) where the auditor is an individual, that individual and any employee or agent of his who is eligible for appointment as auditor of the company;
  - (b) where the auditor is a firm, any director, member, employee or agent of the firm who is eligible for appointment as auditor of the company.
- (4) A person guilty of an offence under this section is liable—
  - (a) on conviction on indictment, to a fine;
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

#### **Modifications etc. (not altering text)**

**C138** Ss. 507-509 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 42**

**C139** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

**C140** Ss. 507-509 applied (with modifications) by S.I. 2008/565, reg. 8A (as inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 9** (with reg. 2(6)(7)))

#### **508 Guidance for regulatory and prosecuting authorities: England, Wales and Northern Ireland**

- (1) The Secretary of State may issue guidance for the purpose of helping relevant regulatory and prosecuting authorities to determine how they should carry out their functions in cases where behaviour occurs that—

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- (a) appears to involve the commission of an offence under section 507 (offences in connection with auditor's report), and
- [<sup>F27</sup>(b) has been, is being or may be investigated—
  - (i) pursuant to arrangements under paragraph 15 of Schedule 10 (investigation of complaints against auditors and supervisory bodies), or
  - (ii) by the competent authority under the Statutory Auditors and Third Country Auditors Regulations 2016.]
- (2) The Secretary of State must obtain the consent of the Attorney General before issuing any such guidance.
- (3) In this section “relevant regulatory and prosecuting authorities” means—
  - (a) supervisory bodies within the meaning of Part 42 of this Act,
  - (b) bodies to which the Secretary of State may make grants under section 16(1) of the Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27) (bodies concerned with accounting standards etc),
  - (c) the Director of the Serious Fraud Office,
  - (d) the Director of Public Prosecutions or the Director of Public Prosecutions for Northern Ireland, and
  - (e) the Secretary of State.
- (4) This section does not apply to Scotland.

#### Textual Amendments

**F27** S. 508(1)(b) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 19(2)** (with reg. 1(12))

#### Modifications etc. (not altering text)

**C140** Ss. 507-509 applied (with modifications) by S.I. 2008/565, reg. 8A (as inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 9** (with reg. 2(6)(7)))

**C141** Ss. 507-509 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 42**

**C142** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

### 509 Guidance for regulatory authorities: Scotland

- (1) The Lord Advocate may issue guidance for the purpose of helping relevant regulatory authorities to determine how they should carry out their functions in cases where behaviour occurs that—
  - (a) appears to involve the commission of an offence under section 507 (offences in connection with auditor's report), and
  - [<sup>F28</sup>(b) has been, is being or may be investigated—
    - (i) pursuant to arrangements under paragraph 15 of Schedule 10 (investigation of complaints against auditors and supervisory bodies), or

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- (ii) by the competent authority under the Statutory Auditors and Third Country Auditors Regulations 2016.]
- (2) The Lord Advocate must consult the Secretary of State before issuing any such guidance.
- (3) In this section “relevant regulatory authorities” means—
- (a) supervisory bodies within the meaning of Part 42 of this Act,
  - (b) bodies to which the Secretary of State may make grants under section 16(1) of the Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27) (bodies concerned with accounting standards etc), and
  - (c) the Secretary of State.
- (4) This section applies only to Scotland.

#### **Textual Amendments**

**F28** S. 509(1)(b) substituted (17.6.2016) by [The Statutory Auditors and Third Country Auditors Regulations 2016 \(S.I. 2016/649\)](#), reg. 1(1)(a), **Sch. 3 para. 20(2)** (with reg. 1(12))

#### **Modifications etc. (not altering text)**

**C140** Ss. 507-509 applied (with modifications) by S.I. 2008/565, reg. 8A (as inserted (with effect in accordance with reg. 2(4) of the amending S.I.) by [The Statutory Auditors Regulations 2017 \(S.I. 2017/1164\)](#), reg. 1(2)(3), **Sch. 2 para. 9** (with reg. 2(6)(7)))

**C143** Ss. 507-509 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 42**

**C144** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

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