



# Charities Act 2011

## 2011 CHAPTER 25

### PART 8

#### CHARITY ACCOUNTS, REPORTS AND RETURNS

### CHAPTER 3

#### AUDIT OR EXAMINATION OF ACCOUNTS

##### *Audit or examination of individual accounts*

#### **145 Examination of accounts an option for lower-income charities**

- (1) If section 144(2) does not apply to a financial year of a charity but its gross income in that year exceeds £25,000, the accounts of the charity for that year must, at the election of the charity trustees, be—
  - (a) examined by an independent examiner, that is, an independent person who is reasonably believed by the trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts, or
  - (b) audited by a person within section 144(2)(a) or (b).
- (2) Subsection (1) is subject to—
  - (a) subsection (3), and
  - (b) any order under section 146(1).
- (3) If subsection (1) applies to the accounts of a charity for a year and the charity's gross income in that year exceeds £250,000, a person qualifies as an independent examiner for the purposes of subsection (1)(a) if (and only if) the person is independent and—
  - (a) a member of one of the bodies listed in subsection (4), or
  - (b) a Fellow of the Association of Charity Independent Examiners.
- (4) The bodies referred to in subsection (3)(a) are—

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**Changes to legislation:** Charities Act 2011, Section 145 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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- (a) the Institute of Chartered Accountants in England and Wales;
- (b) the Institute of Chartered Accountants of Scotland;
- (c) the Institute of Chartered Accountants in Ireland;
- (d) the Association of Chartered Certified Accountants;
- (e) the Association of Authorised Public Accountants;
- (f) the Association of Accounting Technicians;
- (g) the Association of International Accountants;
- (h) the Chartered Institute of Management Accountants;
- (i) the Institute of Chartered Secretaries and Administrators;
- (j) the Chartered Institute of Public Finance and Accountancy.
- [<sup>F1</sup>(k) the Institute of Financial Accountants;
- (l) the Certified Public Accountants Association.]

(5) The Commission may—

- (a) give guidance to charity trustees in connection with the selection of a person for appointment as an independent examiner;
- (b) give such directions as it thinks appropriate with respect to the carrying out of an examination in pursuance of subsection (1)(a);

and any such guidance or directions may either be of general application or apply to a particular charity only.

(6) The [<sup>F2</sup>Secretary of State] may by order—

- (a) amend subsection (3) by adding or removing a description of person to or from the list in that subsection or by varying any entry for the time being included in that list;
- (b) amend subsection (4) by adding or removing a body to or from the list in that subsection or by varying any entry for the time being included in that list.

#### Textual Amendments

- F1** S. 145(4)(k)(l) inserted (with application in accordance with art. 5 of the commencing S.I.) by [The Charities Act 2011 \(Accounts and Audit\) Order 2015 \(S.I. 2015/321\)](#), arts. 1, 4
- F2** Words in s. 145(6) substituted (9.11.2016) by [The Transfer of Functions \(Elections, Referendums, Third Sector and Information\) Order 2016 \(S.I. 2016/997\)](#), art. 1(2), **Sch. 2 para. 25(2)(w)** (with art. 12)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 106(1)-(1B) substituted for s. 106(1) by [2022 c. 6 s. 16\(a\)](#)
- s. 322(2)(ea) inserted by [2022 c. 6 Sch. 2 para. 26](#)
- s. 331A331B and cross-heading inserted by [2022 c. 6 s. 15](#)