



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—

Status: This is the original version (as it was originally enacted).

- (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.

(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 Minister 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.