

Report to Registrar and to Director: accounting records

392. (1) If, at any time, the statutory auditors of a company form the opinion that the company is contravening, or has contravened, any of sections 281 to 285 the statutory auditors shall—

(a) as soon as may be, by recorded delivery, serve a notice in writing on the company stating their opinion, and

(b) not later than 7 days after the date of service of such notice on the company, notify the Registrar in the prescribed form of the notice and the Registrar shall forthwith forward a copy of the notice to the Director.

(2) Where the statutory auditors form the opinion that the company has contravened any of sections 281 to 285 but that, following such contravention, the directors of the company have taken the necessary steps to ensure that those provisions are complied with, subsection (1)(b) shall not apply.

(3) This section shall not require the statutory auditors to make the notifications referred to in subsection (1) if they are of the opinion that the contraventions concerned are minor or otherwise immaterial in nature.

(4) Where the statutory auditors of a company make a notification pursuant to subsection (1)(b), they shall, if requested by the Director—

(a) furnish to the Director such information, including an explanation of the reasons for their opinion that the company had contravened any of sections 281 to 285, and

(b) give to the Director such access to documents, including facilities for inspecting and taking copies,

being information or documents in their possession or control and relating to the matter the subject of the notification, as the Director may require.

(5) Any written information given in response to a request of the Director under subsection (4) shall in all legal proceedings (other than proceedings for an offence) be admissible without further proof, until the contrary is shown, as evidence of the facts stated in it.

(6) No professional or legal duty to which statutory auditors are subject by virtue of their appointment as statutory auditors of a company shall be regarded as contravened by, and no liability to the company, its shareholders, creditors or other interested parties shall attach to, statutory auditors, by reason of their compliance with an obligation imposed on them by or under this section.

(7) Nothing in this section compels the disclosure by any person of any information that the person would be entitled to refuse to produce on the grounds of legal professional privilege or authorises the

inspection or copying of any document containing such information that is in the person's possession.

(8) A person who fails to make the notification required by subsection (1)(a) or (b) or to comply with a request under subsection (4)(a) or (b) shall be guilty of a category 3 offence.