

Eligibility to act as public auditor

1441. (1) In this section “public auditor” means a public auditor for the purposes of—

- (a) the Industrial and Provident Societies Acts 1893 to 2014; or
- (b) the Friendly Societies Acts 1896 to 2014.

(2) A person shall not act as a public auditor, of the society or friendly society concerned, in respect of any financial year of it that begins after the commencement of this section unless the person is a member of a body of accountants recognised by the Supervisory Authority for the purposes of this section and stands approved by that body of accountants to so act.

(3) In addition to the requirement of subsection (2), none of the following persons shall be qualified for appointment as a public auditor of a society registered under the Industrial and Provident Societies Acts 1893 to 2014—

- (a) an officer or servant of the society,
- (b) a person who has been an officer or servant of the society within a period in respect of which accounts would fall to be audited by the person if he or she were appointed auditor of the society,
- (c) a parent, spouse, civil partner, brother, sister or child of an officer of the society,
- (d) a person who is a partner of or in the employment of an officer of the society,
- (e) a person who is disqualified under this subsection for appointment as a public auditor of any other society that is a subsidiary or holding company of the society or a subsidiary of the society's holding company,
- (f) a person who is disqualified under Regulation 71 of the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations 2010 for appointment as statutory auditor of a company that is a subsidiary or holding company of the society,
- (g) a body corporate.

(4) In addition to the requirement of subsection (2), none of the following persons shall be qualified for appointment as a public auditor of a friendly society—

- (a) an officer or servant of the friendly society,
- (b) a person who has been an officer or servant of the friendly society within a period in respect of which accounts would fall to be audited by the person if he or she were appointed auditor of the friendly

society,

(c) a parent, spouse, civil partner, brother, sister or child of an officer of the friendly society,

(d) a person who is a partner of or in the employment of an officer of the friendly society,

(e) a body corporate.

(5) A person shall not act as a public auditor at a time when he is or she is disqualified under subsection (3) or (4), as the case may be, for appointment to that office.

(6) If, during the person's term of office as public auditor, a person becomes disqualified under this section for appointment to that office, the person shall thereupon vacate his or her office and give notice in writing to the society or friendly society, as the case may be, that he or she has vacated his or her office by reason of such disqualification.

(7) In respect of any financial year of the society or friendly society concerned that begins before the commencement of this section, the provisions of the Act of 1990 in relation to the eligibility of a person to act as a public auditor shall, notwithstanding section 4, continue in force.

(8) A person who contravenes subsection (2), (5) or (6) shall be guilty of a category 2 offence.

(9) This section shall not apply to the Comptroller and Auditor General.

(10) References in this section to an officer or servant do not include references to a public auditor.