
STATUTORY INSTRUMENTS

2008 No. 629

The Charities (Accounts and Reports) Regulations 2008

PART 4

SCRUTINY OF ACCOUNTS

CHAPTER 3

AUDIT OF GROUP ACCOUNTS

Audit of accounts of larger groups

29. The sum prescribed as the relevant income threshold for the purpose of paragraph 6(1)(a) of Schedule 5A to the 1993 Act is £500,000.

Duties of auditors carrying out an audit of group accounts under paragraph 6 of Schedule 5A to the Charities Act 1993

30.—(1) Where group accounts prepared under paragraph 3(2) of Schedule 5A to the 1993 Act are required to be audited under paragraph 6 of that Schedule, the auditor must make a report on those accounts to the charity trustees of the parent charity which—

- (a) states the name and address of the auditor and the name of the parent charity concerned;
- (b) is signed by him or, where the office of auditor is held by a body corporate or partnership, in its name by a person authorised to sign on its behalf;
- (c) states that the auditor is—
 - (i) if section 43A of the 1993 Act applies in relation to the relevant financial year, a person appointed by the Audit Commission;
 - (ii) if section 43B of that Act applies in relation to the relevant financial year, is the Auditor General for Wales;
 - (iii) in any other case, is a person falling within paragraph (a) or, as the case may be, paragraph (b) of section 43(2) of that Act;
- (d) is dated and specifies the financial year in respect of which the accounts to which it relates have been prepared;
- (e) where the parent charity is a company, confirms that the charity trustees were not required by section 227 of the 1985 Act to prepare group accounts for that year;
- (f) specifies that it is a report in respect of an audit carried out under paragraph 6 of Schedule 5A to the 1993 Act and in accordance with regulations made under section 44 of that Act (as modified by paragraph 8 of Schedule 5A to that Act);
- (g) states whether in the auditor's opinion the group accounts—
 - (i) in the case of a parent charity to which regulation 13 applies, comply with the requirements of regulation 13 and in particular whether—

- (aa) the consolidated statement of total return gives a true and fair view of the total return of the parent charity and its subsidiary undertakings during the relevant financial year;
 - (bb) the consolidated statement of changes in net assets gives a true and fair view of the changes in the net assets of the parent charity and its subsidiary undertakings during the relevant financial year;
 - (cc) the consolidated balance sheet gives a true and fair view of the state of affairs of the parent charity and its subsidiary undertakings at the end of the relevant financial year;
 - (ii) in the case of a parent charity to which regulation 14 applies, comply with the requirements of regulation 14 and in particular whether—
 - (aa) the consolidated balance sheet gives a true and fair view of the state of affairs of the parent charity and its subsidiary undertakings at the end of the relevant financial year; and
 - (bb) the consolidated income and expenditure account gives a true and fair view of the income and expenditure of the parent charity and its subsidiary undertakings as a whole in the relevant financial year;
 - (iii) in the case of a parent charity to which regulation 15 applies, comply with the requirements of regulation 15 and in particular whether—
 - (aa) the consolidated balance sheet gives a true and fair view of the state of affairs of the parent charity and its subsidiary undertakings as at the end of relevant financial year;
 - (bb) the consolidated statement of financial activities gives a true and fair view of the total incoming resources of the parent charity and its subsidiary undertakings and the movements in the total resources of the group in the relevant financial year;
 - (h) where the auditor has formed the opinion that—
 - (i) any information contained in the group accounts is inconsistent in any material respect with any report of the charity trustees prepared—
 - (aa) under section 45 of the 1993 Act in respect of the relevant financial year; or
 - (bb) where the parent charity is a company, with the report prepared in respect of that financial year under section 234 of the 1985 Act;
 - (ii) any information or explanation to which he is entitled under regulation 33 has not been afforded to him;
- contains a statement of that opinion and of the grounds for forming it.
- (2) The auditor must, in preparing his report carry out such investigations as will enable him to form an opinion as to the matters specified in sub-paragraphs (g) and (h) of paragraph (1).