

HOUSING (SCOTLAND) ACT 2010

EXPLANATORY NOTES

STRUCTURE OF THE ACT

Part 6 – Accounts and Audit

84. [Part 6](#) provides the regulator with the power to set requirements for registered social landlords' accounts and audit arrangements. This part of the Act replaces similar powers of the Scottish Ministers in Part 3 of Schedule 7 of the 2001 Act.
85. [Section 68](#) allows a determination of accounting requirements by the regulator. The requirements should ensure that registered social landlords' accounts are properly prepared and provide a true and fair picture of their affairs. The regulator's determination may be general or for a particular purpose and can apply to different RSLs or different cases. The regulator may revise or withdraw a determination and must bring any determination to the attention of any affected registered social landlords. A determination cannot relate to an accounting period before it was published. Subsection (3) requires the regulator to consult before making any determination.
86. [Section 69](#) places a duty on registered social landlords to comply with the regulator's accounting requirements. The auditor's report on a registered social landlord must state if, in the auditor's opinion, its accounts comply with the requirements. Under section 70, the RSL must provide the regulator with a copy of its accounts and auditor's report within six months of the end of the accounting period to which they relate. Section 71 makes it an offence for a registered social landlord to fail to comply with either of these requirements.
87. [Section 72\(2\)](#) places a duty on reporting accountants and auditors appointed to prepare accounts or carry out internal audits for a registered social landlord to disclose to the regulator any matter they believe is of material significance to the regulator's functions, under section 3, of monitoring, assessing and reporting on social landlords' performance, financial wellbeing and standards of governance. This includes both significant matters relating to the affairs of the RSL and to the affairs of a parent or subsidiary body connected with the RSL.
88. [Section 72\(3\)](#) empowers accountants and auditors to report any matter they do not consider is of material significance under section 72(2), but which they think could be relevant to the exercise of any of the regulator's functions. The duty and the power to report matters to the regulator both continue after someone has stopped acting in the capacity of auditor or reporting accountant to the registered social landlord.