

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 14A

#### APPOINTMENT AND REMOVAL OF AUDITORS: SOCIETIES [<sup>F1</sup>SUBJECT TO SPECIAL REQUIREMENTS]

##### Textual Amendments

- F1** Sch. 14A inserted (with effect in accordance with reg. 1(5) of the amending S.I.) by [The Statutory Auditors and Third Country Auditors Regulations 2017 \(S.I. 2017/516\)](#), regs. 1(2), **11**
- F1** Words in Sch. 14A heading substituted (31.12.2020) by [The Friendly Societies \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1039\)](#), regs. 1, **14(a)**; 2020 c. 1, Sch. 5 para. 1(1)

##### *Appointment of auditor for society which has an audit committee*

2. (1) This paragraph applies to the appointment under section 72 of an auditor or auditors if the society has an audit committee.
- (2) Before an appointment is made—
- (a) the audit committee of the society must make a recommendation to the committee of management in connection with the appointment, and
- (b) the committee of management must propose an auditor or auditors for appointment.
- (3) Before the audit committee makes a recommendation or the committee of management makes a proposal under sub-paragraph (2), the audit committee must carry out a selection procedure in accordance with Article 16(3) of the Audit Regulation.
- (4) The audit committee must in its recommendation—
- (a) identify its first and second choice candidates for appointment, drawn from those auditors who have participated in a selection procedure under sub-paragraph (3),
- (b) give reasons for the choices so identified,
- (c) state that—
- (i) the recommendation is free from influence by a third party, and
- (ii) no contractual term of the kind mentioned in Article 16(6) of the Audit Regulation has been imposed on the friendly society.
- (5) The committee of management must include in its proposal—
- (a) the recommendation made by the audit committee in connection with the appointment, and
- (b) if the proposal of the committee of management departs from the preference of the audit committee—

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***Changes to legislation:** There are currently no known outstanding effects for  
the Friendly Societies Act 1992, Paragraph 2. (See end of Document for details)*

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- (i) a recommendation for a candidate or candidates for appointment drawn from those auditors who have participated in a selection procedure under sub-paragraph (3), and
  - (ii) the reasons for not following the audit committee's recommendation.
- (6) Where the audit committee recommends re-appointment of the society's existing auditor or auditors, and the committee of management is in agreement, sub-paragraphs (3) and (4)(a) and (b) do not apply.]

**Changes to legislation:**

There are currently no known outstanding effects for the Friendly Societies Act 1992, Paragraph 2.