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**Changes to legislation:** *Housing Act 1996, Cross Heading: Accounting and audit or reporting requirements for charities is up to date with all changes known to be in force on or before 09 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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## SCHEDULES

### SCHEDULE 1

#### REGISTERED SOCIAL LANDLORDS: REGULATION

#### PART III

#### ACCOUNTS AND AUDIT

*[<sup>F1</sup> Accounting and audit [<sup>F2</sup> or reporting ] requirements for charities*

#### Textual Amendments

- F1** Sch. 1 para. 16A and cross-heading inserted (18.1.2005) by [Housing Act 2004 \(c. 34\), s. 270\(3\)\(c\)](#), [Sch. 11 para. 18](#)
- F2** Words in Sch. 1 para. 18 cross-heading inserted (18.1.2005) by [Housing Act 2004 \(c. 34\), s. 270\(3\)\(c\)](#), [Sch. 11 para. 20\(2\)](#)

- 18 (1) A registered social landlord which is a registered charity shall, in respect of its housing activities (and separately from its other activities, if any), be subject to the following provisions <sup>F3</sup> ...

<sup>F3</sup> ...

- (2) The charity shall in respect of its housing activities—
- cause to be kept properly books of account showing its transactions and its assets and liabilities, and
  - establish and maintain a satisfactory system of control of its books of accounts, its cash holdings and all its receipts and remittances.

The books of account must be such as to enable a true and fair view to be given of the state of affairs of the charity in respect of its housing activities, and to explain its transactions in the course of those activities.

- (3) The charity shall for each period of account prepare—
- a revenue account giving a true and fair view of the charity's income and expenditure in the period, so far as arising in connection with its housing activities, and
  - a balance sheet giving a true and fair view as at the end of the period of the state of the charity's affairs.

The revenue account and balance sheet must be signed by at least two directors or trustees of the charity.

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- [<sup>F4</sup>][<sup>F5</sup>(4) The charity must appoint a qualified auditor (“the auditor”) to audit the accounts prepared in accordance with sub-paragraph (3) in respect of each period of account in which—
- (a) the charity's gross income arising in connection with its housing activities exceeds the sum for the time being specified in section 144(1)(a) of the Charities Act 2011, or
  - (b) the charity's gross income arising in that connection exceeds the accounts threshold and at the end of that period the aggregate value of its assets (before deduction of liabilities) in respect of its housing activities exceeds the sum for the time being specified in section 144(1)(b) of that Act;
- and in this sub-paragraph “gross income” and “accounts threshold” have the same meanings as in section 144 of that Act.]
- (4A) Where sub-paragraph (4) does not apply in respect of a period of account, the charity must appoint a qualified auditor (“the reporting accountant”) to make such a report as is mentioned in paragraph 18A(1) in respect of the period of account.
- [<sup>F6</sup>(4B) In sub-paragraphs (4) and (4A) “qualified auditor” means a person who—
- (a) is eligible for appointment as a statutory auditor under Part 42 of the Companies Act 2006, and
  - (b) if the appointment were an appointment as a statutory auditor, would not be prohibited from acting by virtue of section 1214 of that Act (independence requirement).]]

(5) The auditor shall make a report to the charity on the accounts audited by him, stating whether in his opinion—

    - (a) the revenue account gives a true and fair view of the state of income and expenditure of the charity in respect of its housing activities and of any other matters to which it relates, and
    - (b) the balance sheet gives a true and fair view of the state of affairs of the charity as at the end of the period of account.

(6) The auditor in preparing his report shall carry out such investigations as will enable him to form an opinion as to the following matters—

    - (a) whether the association has kept, in respect of its housing activities, proper books of account in accordance with the requirements of this paragraph,
    - (b) whether the charity has maintained a satisfactory system of control over its transactions in accordance with those requirements, and
    - (c) whether the accounts are in agreement with the charity’s books;

and if he is of opinion that the charity has failed in any respect to comply with this paragraph, or if the accounts are not in agreement with the books, he shall state that fact in his report.

(7) The auditor—

    - (a) has a right of access at all times to the books, deeds and accounts of the charity, so far as relating to its housing activities, and to all other documents relating to those activities, and
    - (b) is entitled to require from officers of the charity such information and explanations as he thinks necessary for the performance of his duties;

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and if he fails to obtain all the information and explanations which, to the best of his knowledge and belief, are necessary for the purposes of his audit, he shall state that fact in his report.

- (8) A period of account for the purposes of this paragraph is twelve months or such other period not less than six months or more than 18 months as the charity may, with the consent of the [<sup>F7</sup>Relevant Authority], determine.]

#### Textual Amendments

- F3** Words in Sch. 1 para. 18(1) repealed (18.1.2005) by [Housing Act 2004 \(c. 34\)](#), s. 270(3)(c), [Sch. 11 para. 20\(3\)](#), [Sch. 16](#)
- F4** Sch. 1 para. 18(4)-(4B) substituted for Sch. 1 para. 18(4) (18.1.2005) by [Housing Act 2004 \(c. 34\)](#), s. 270(3)(c), [Sch. 11 para. 20\(4\)](#)
- F5** Sch. 1 para. 18(4) substituted (14.3.2012) by [Charities Act 2011 \(c. 25\)](#), s. 355, [Sch. 7 para. 72\(3\)](#) (with s. 20(2), [Sch. 8](#))
- F6** Sch. 1 para. 18(4B) substituted (6.4.2008) by [The Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\)](#), art. 2(2), [Sch. 1 para. 20](#) (with arts. 6, 11, 12)
- F7** Words in Pt. I substituted (1.11.1998) by [1998 c. 38](#), s. 140, [Sch. 16 para. 82\(1\)\(2\)](#) (with ss. 139(2), 141(1), 143(2)); [S.I. 1998/2244](#), [art.5](#).

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**Changes and effects yet to be applied to :**

- specified provision(s) savings for amendments by 2018 anaw 1, s. 6, Sch. 6 by [S.I. 2019/110 reg. 5](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act savings and transitional provisions for amendments by S.I. 2022/1166 by [S.I. 2022/1172 Regulations](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 124(1A) inserted by [2016 c. 22 Sch. 7 para. 20\(2\)](#)
- s. 124(6) inserted by [2016 c. 22 Sch. 7 para. 20\(6\)](#)
- s. 124A124B inserted by [2016 c. 22 Sch. 7 para. 21](#)
- s. 125A(3A)(3B) inserted by [2016 c. 22 Sch. 7 para. 22\(3\)](#)
- s. 130A inserted by [2016 c. 22 Sch. 8 para. 7](#)
- s. 133(1A) inserted by [2016 c. 22 Sch. 8 para. 9\(2\)](#)
- s. 143J(3A) inserted by [2016 c. 22 Sch. 8 para. 13\(2\)](#)
- s. 143J(7)(a) words omitted by [S.I. 2022/1166 reg. 25\(11\)\(b\)](#) (This amendment comes into force immediately after 2016 c. 22, s. 120 and Sch. 8 para. 13(3) come into force)
- s. 143GA143GB inserted by [2016 c. 22 Sch. 8 para. 10](#)
- s. 143MA(3A)-(3D) inserted by [2016 c. 22 Sch. 7 para. 27\(3\)](#)
- s. 143MB inserted by [2016 c. 22 Sch. 7 para. 28](#)
- Sch. 2 para. 10A(1A) inserted by [2024 c. 22 Sch. 13 para. 6\(3\)](#)
- Sch. 2 para. 10A(6) inserted by [2024 c. 22 Sch. 13 para. 6\(6\)](#)