



Housing Associations Act 1985

1985 CHAPTER 69

PART I

REGULATION OF HOUSING ASSOCIATIONS

Accounts and audit

24 General requirements as to accounts and audit

- (1) The Secretary of State may by order lay down accounting requirements for registered housing associations with a view to ensuring that the accounts of every registered housing association—
 - (a) are prepared in the requisite form, and
 - (b) give a true and fair view of the state of affairs of the association, so far as its housing activities are concerned, and of the disposition of funds and assets which are, or at any time have been, in its hands in connection with those activities.
- (2) The method by which an association shall distinguish in its accounts between its housing activities and other activities shall be laid down by orders under subsection (1).
- (3) The accounts of every registered housing association shall comply with the requirements laid down under this section ; and the auditor's report shall state, in addition to any other matters which it is required to state, whether in the auditor's opinion the accounts do so comply.
- (4) Every registered housing association shall furnish to the Housing Corporation a copy of its accounts and auditor's report within six months of the end of the period to which they relate.
- (5) An order under this section—
 - (a) may make different provision with respect to different cases or descriptions of case, including different provision for different areas, and

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(b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament;
 and the provisions of such an order shall not apply in relation to a period beginning before the day on which the order comes into force.

25 Appointment of auditors by associations registered under the 1965 Act

Section 4(1) of the Friendly and Industrial and Provident Societies Act 1968 (obligation to appoint qualified auditors to audit accounts and balance sheet for each year of account) applies to every registered housing association which is a society registered under the 1965 Act, without regard to the volume of its receipts and payments, the number of its members or the value of its assets.

26 Accounting requirements for registered housing associations not within the 1965 Act

- (1) A registered housing association which is a registered charity shall, in respect of its housing activities (and separately from its other activities, if any) be subject to the provisions of Schedule 3 (which impose accounting and audit requirements corresponding to those imposed by the Friendly and Industrial and Provident Societies Act 1968).
- (2) But this does not affect any obligation of the charity under section 8 of the Charities Act 1960 (statement of accounts to be transmitted to Charity Commissioners).

27 Responsibility for securing compliance with accounting requirements

- (1) Every responsible person, that is to say, every person who—
 - (a) is directly concerned with the conduct and management of the affairs of a registered housing association, and
 - (b) is in that capacity responsible for the preparation and audit of accounts,
 shall ensure that section 24 (general requirements as to accounts and audit) and, where applicable, Schedule 3 (accounting requirements for associations not within 1965 Act) are complied with by the association.
- (2) If—
 - (a) section 24(4) (furnishing of accounts and auditor's report) is not complied with, or
 - (b) the accounts furnished to the Housing Corporation under that provision do not comply with the accounting requirements laid down under section 24(1), or
 - (c) Schedule 3, where applicable, is not complied with,
 every responsible person, and the association itself, commits a summary offence and is liable on conviction to a fine not exceeding level 3 on the standard scale.
- (3) It is a defence—
 - (a) for a responsible person to prove that he did everything that could reasonably have been expected of him by way of discharging the duty imposed by subsection (1);
 - (b) for an association to prove that every responsible person did everything that could reasonably have been expected of him by way of discharging the duty imposed by subsection (1) in relation to the association.

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- (4) Proceedings for an offence under this section may in England and Wales be brought only by or with the consent of the Corporation or the Director of Public Prosecutions.