



Friendly Societies Act 1992

1992 CHAPTER 40

PART VI

ACCOUNTS AND AUDIT

Laying and furnishing of accounts and reports

78 Laying and furnishing of accounts and reports

- (1) The committee of management of a friendly society shall in each year—
 - (a) lay before the society at the annual general meeting; and
 - (b) send to the Commission and to the central office not later than 30th June or 14 days before that meeting, whichever is earlier,copies of the annual accounts for the last financial year, the report of the committee of management for that year and the auditors' report on those accounts.
- (2) The committee of management of a registered branch shall in each year—
 - (a) lay before the branch at the annual general meeting; and
 - (b) send to the Commission and to the central office not later than 30th June or 14 days before that meeting, whichever is earlier,copies of the annual accounts for the last financial year and the auditors' report on those accounts.
- (3) Every friendly society shall, as from the date by which at the latest its committee of management is required by subsection (1) above to send them to the Commission—
 - (a) make copies of the annual accounts, the report of the committee of management and the auditors' report available free of charge to members of the society at every office of the society; and
 - (b) send, free of charge, copies of those documents to any member of the society who demands them;

and that duty shall cease, as respects those accounts, when the society comes to be under the same duty in respect of the accounts for the next financial year.

Status: This is the original version (as it was originally enacted).

- (4) Every registered branch shall, as from the date by which at the latest its committee of management is required by subsection (2) above to send them to the Commission—
- (a) make copies of the annual accounts and the auditors' report available free of charge to members of the branch at every office of the branch; and
 - (b) send, free of charge, copies of those documents to any member of the branch who demands them;
- and that duty shall cease, as respects those accounts, when the branch comes to be under the same duty in respect of the accounts for the next financial year.
- (5) If default is made in complying with subsection (1) or (2) above, every person who was a member of the committee of management of the society or, as the case may be, the branch, at any time during the relevant period shall be guilty of an offence and liable on summary conviction—
- (a) to a fine not exceeding level 5 on the standard scale; and
 - (b) in the case of a continuing offence, to an additional fine not exceeding one-tenth of that level for every day during which the offence continues.
- (6) If, on demand made of it under subsection (3) or (4) above, a friendly society or registered branch fails, in accordance with that subsection, to make available or, as the case may be, within 7 days of the demand, to send to a person a copy of the annual accounts, the society or branch shall be guilty of an offence and liable on summary conviction—
- (a) to a fine not exceeding level 3 on the standard scale; and
 - (b) in the case of a continuing offence, to an additional fine not exceeding one-tenth of that level for every day during which the offence continues.
- (7) In subsection (5) above “the relevant period” means the period beginning at the end of the last financial year and ending with the date which falls 14 days before the annual general meeting following the end of that year.
- (8) The central office shall keep the copies of documents received by it from a friendly society under subsection (1) above in the public file of the society.

79 Auditors' duties to Commission and related rights

- (1) The auditors of a friendly society shall, unless they are exempt from the requirements of this section, make a report to the Commission, as respects each financial year of the society, on the conduct of the activities of the society in that year in relation to the matters specified in subsection (2) below.
- (2) The auditors' report shall deal with—
- (a) the accounting records kept by the society under section 68 above; and
 - (b) the systems of control of its business and records and of inspection and report maintained under that section.
- (3) The report shall state the auditors' opinion as respects the matters specified in subsection (2) above as follows, that is to say—
- (a) as regards the accounting records of the society, whether or not they comply with the requirements of section 68 above and, if not, specifying each requirement not complied with and the respects in which it was not complied with;

Status: This is the original version (as it was originally enacted).

- (b) as regards the system of control of its business and records, whether or not the system complies with the requirements of section 68 above and, if not, specifying each requirement not complied with and the respects in which it was not complied with;
 - (c) as regards the system of inspection and report, whether or not the system complies with the requirements of section 68 above and, if not, specifying each requirement not complied with and the respects in which it was not complied with.
- (4) Where an incorporated friendly society had, at any time during the year to which the report relates, subsidiaries or jointly controlled other bodies, the auditors' report shall deal also with and contain corresponding statements of their opinion as to compliance with the requirements of section 68 above in its application to incorporated friendly societies having subsidiaries or jointly controlling other bodies.
- (5) The auditors of a friendly society shall send their report under this section to the society and, subject to subsection (6) below, shall do so within the period of 6 months beginning with the end of the financial year to which it relates, and the society shall, within the period of 9 months so beginning, send the report to the Commission together with such comments as the committee of management thinks fit to make.
- (6) A friendly society may allow its auditors a longer period in which to send their report than that specified in subsection (5) above, but not so as to prevent the society from complying with the duty imposed on it by that subsection as regards the Commission.
- (7) If the committee of management of a friendly society makes any comments to the Commission under subsection (5) above, the committee shall cause a copy of the comments to be sent to the auditors before they send them to the Commission with the report under that subsection.
- (8) The auditors of a friendly society, if they are satisfied that it is expedient to do so in order to protect the interests of members of the society or if they are requested to do so by the Commission on its being so satisfied, shall be entitled, notwithstanding any obligation of confidence incumbent on them and whether or not to do so would be contrary to the interests of the society, to furnish information to the Commission relating to the conduct of the activities of the society or, in the case of an incorporated friendly society, the business of any of its subsidiaries or any body of which it has joint control.
- (9) The Treasury may by order impose on the auditors of friendly societies an obligation to furnish to the Commission, in such circumstances as may be prescribed in the order, relevant information available to them of such descriptions as may be prescribed in the order; and it shall be the duty of any auditor to furnish information to which the obligation extends notwithstanding any obligation of confidence incumbent on him.
- (10) In subsection (9) above, "relevant information" means information relating to the conduct of the business of friendly societies or their subsidiaries or bodies of which they have joint control.
- (11) Subject to subsection (12) below, the auditors of a friendly society are exempt from the requirements of this section if the auditors of that society do not need to be members of a recognised supervisory body.

Status: This is the original version (as it was originally enacted).

- (12) The Commission may direct that the auditors of a society specified in the direction whose auditors would otherwise be exempt from the requirements of this section shall not be exempt from those requirements.