



Charities Act 1993 (repealed)

1993 CHAPTER 10

PART VI

CHARITY ACCOUNTS, REPORTS AND RETURNS

43 Annual audit or examination of charity accounts.

[^{F1}(1) Subsection (2) below applies to a financial year of a charity if—

- (a) the charity's gross income in that year exceeds £500,000; or
- (b) the charity's gross income in that year exceeds the accounts threshold and at the end of the year the aggregate value of its assets (before deduction of liabilities) exceeds [^{F2}£3.26 million].

“The accounts threshold” means £100,000 or such other sum as is for the time being specified in section 42(3) above.]

(2) If this subsection applies to a financial year of a charity, the accounts of the charity for that year shall be audited by a person who—

- [^{F3}(a) is eligible for appointment as a statutory auditor under Part 42 of the Companies Act 2006;]
- (b) is a member of a body for the time being specified in regulations under section 44 below and is under the rules of that body eligible for appointment as auditor of the charity.

(3) If subsection (2) above does not apply to a financial year of a charity [^{F4}but its gross income in that year exceeds [^{F5}£25,000],] the accounts of the charity for that year shall, at the election of the charity trustees, either—

- (a) be examined by an independent examiner, that is to say an independent person who is reasonably believed by the trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts, or
- (b) be audited by such a person as is mentioned in subsection (2) above.

[^{F6}This is subject to the requirements of subsection (3A) below where the gross income exceeds £250,000, and to any order under subsection (4) below.]

Status: Point in time view as at 01/04/2009. This version of this provision has been superseded.

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[^{F7}(3A) If subsection (3) above applies to the accounts of a charity for a year and the charity's gross income in that year exceeds £250,000, a person qualifies as an independent examiner for the purposes of paragraph (a) of that subsection if (and only if) he is an independent person who is—

- [^{F8}(a) a member of one of the bodies listed in subsection (3B) below; or
- (b) a Fellow of the Association of Charity Independent Examiners.]
- [^{F8}(c)]

[^{F9}(3B) The bodies referred to in subsection (3A)(a) above are—

- (a) the Institute of Chartered Accountants in England and Wales;
- (b) the Institute of Chartered Accountants of Scotland;
- (c) the Institute of Chartered Accountants in Ireland;
- (d) the Association of Chartered Certified Accountants;
- (e) the Association of Authorised Public Accountants;
- (f) the Association of Accounting Technicians;
- (g) the Association of International Accountants;
- (h) the Chartered Institute of Management Accountants;
- (i) the Institute of Chartered Secretaries and Administrators;
- (j) the Chartered Institute of Public Finance and Accountancy.]

(4) Where it appears to [^{F10}the Commission]—

- (a) that subsection (2), or (as the case may be) subsection (3) above, has not been complied with in relation to a financial year of a charity within ten months from the end of that year, or
- (b) that, although subsection (2) above does not apply to a financial year of a charity, it would nevertheless be desirable for the accounts of the charity for that year to be audited by such a person as is mentioned in that subsection,

[^{F10}the Commission] may by order require the accounts of the charity for that year to be audited by such a person as is mentioned in that subsection.

(5) If [^{F11}the Commission makes] an order under subsection (4) above with respect to a charity, then unless—

- (a) the order is made by virtue of paragraph (b) of that subsection, and
- (b) the charity trustees themselves appoint an auditor in accordance with the order,

the auditor shall be a person appointed by [^{F12}the Commission].

(6) The expenses of any audit carried out by an auditor appointed by [^{F13}the Commission] under subsection (5) above, including the auditor's remuneration, shall be recoverable by [^{F13}the Commission]—

- (a) from the charity trustees of the charity concerned, who shall be personally liable, jointly and severally, for those expenses; or
- (b) to the extent that it appears to [^{F13}the Commission] not to be practical to seek recovery of those expenses in accordance with paragraph (a) above, from the funds of the charity.

(7) [^{F14}The Commission] may—

- (a) give guidance to charity trustees in connection with the selection of a person for appointment as an independent examiner;

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(b) give such directions as [^{F15}it thinks] appropriate with respect to the carrying out of an examination in pursuance of subsection (3)(a) above; and any such guidance or directions may either be of general application or apply to a particular charity only.

[^{F16}(8) The Minister may by order—

(a) amend subsection (1)(a) or (b), (3) or (3A) above by substituting a different sum for any sum for the time being specified there;

(b) amend subsection (3A) by adding or removing a description of person to or from the list in that subsection or by varying any entry for the time being included in that list.]

[^{F17}(c) amend subsection (3B) by adding or removing a body to or from the list in that subsection or by varying any entry for the time being included in that list.]

[^{F18}(9) Nothing in this section applies in relation to the accounts of a charity for a financial year if those accounts are required to be audited in accordance with [^{F19}Part 16 of the Companies Act 2006] .]

[^{F20}(10) Nothing in this section applies in relation to a financial year of a charity where, at any time in the year, a charity is an English National Health Service charity or Welsh National Health Service charity (as defined in sections 43A and 43B respectively).]

Textual Amendments

- F1** S. 43(1) substituted (27.2.2007) by Charities Act 2006 (c. 50), ss. 28(2), 79(2); S.I. 2007/309, art. 2, Sch.
- F2** Words in s. 43(1)(b) substituted (1.4.2009) by The Charities Acts 1992 and 1993 (Substitution of Sums) Order 2009 (S.I. 2009/508), arts. 1(1), 10(a) (with art. 16)
- F3** S. 43(2)(a) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), Sch. 1 para. 17 (with arts. 6, 11, 12)
- F4** Words in s. 43(3) substituted (27.2.2007) by Charities Act 2006 (c. 50), ss. 28(4)(a), 79(2); S.I. 2007/309, art. 2, Sch.
- F5** Word in s. 43(3) substituted (1.4.2009) by The Charities Acts 1992 and 1993 (Substitution of Sums) Order 2009 (S.I. 2009/508), arts. 1(1), 10(b) (with art. 16)
- F6** Words in s. 43(3) inserted (27.2.2007) by Charities Act 2006 (c. 50), ss. 28(4)(b), 79(2); S.I. 2007/309, art. 2, Sch.
- F7** S. 43(3A) inserted (27.2.2007) by Charities Act 2006 (c. 50), ss. 28(5), 79(2); S.I. 2007/309, art. 2, Sch.
- F8** S. 43(3A)(a)(b) substituted for (a)(b)(c)(with effect in accordance with art. 1(3) of the amending S.I.) by The Charities Act 2006 (Charitable Companies Audit and Group Accounts Provisions) Order 2008 (S.I. 2008/527), arts. 1(1), 2(3)
- F9** S. 43(3B) inserted (with effect in accordance with art. 1(3) of the amending S.I.) by The Charities Act 2006 (Charitable Companies Audit and Group Accounts Provisions) Order 2008 (S.I. 2008/527), arts. 1(1), 2(4)
- F10** Words in s. 43(4) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), Sch. 8 para. 134(2); S.I. 2007/309, art. 2, Sch.
- F11** Words in s. 43(5) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), Sch. 8 para. 134(3)(a); S.I. 2007/309, art. 2, Sch.
- F12** Words in s. 43(5) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), Sch. 8 para. 134(3)(b); S.I. 2007/309, art. 2, Sch.
- F13** Words in s. 43(6) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), Sch. 8 para. 134(4); S.I. 2007/309, art. 2, Sch.

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- F14** Words in s. 43(7) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 134(5)(a)**; S.I. 2007/309, art. 2, Sch.
- F15** Words in s. 43(7) substituted (27.2.2007) by Charities Act 2006 (c. 50), s. 79(2), **Sch. 8 para. 134(5)(b)**; S.I. 2007/309, art. 2, Sch.
- F16** S. 43(8) substituted (27.2.2007) by Charities Act 2006 (c. 50), **ss. 28(6)**, 79(2); S.I. 2007/309, art. 2, Sch.
- F17** S. 43(8)(c) inserted (with effect in accordance with art. 1(3) of the amending S.I.) by The Charities Act 2006 (Charitable Companies Audit and Group Accounts Provisions) Order 2008 (S.I. 2008/527), arts. 1(1), **2(5)**
- F18** S. 43(9) substituted (with effect in accordance with art. 1(3) of the amending S.I.) by The Charities Act 2006 (Charitable Companies Audit and Group Accounts Provisions) Order 2008 (S.I. 2008/527), arts. 1(1), **2(6)**
- F19** Words in s. 43(9) substituted (6.4.2008) by virtue of The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), **Sch. 1 para. 192(4)** (with arts. 6, 11, 12)
- F20** S. 43(10) inserted (E.W.) (with effect in accordance with art. 1(2) of the amending S.I.) by Regulatory Reform (National Health Service Charitable and Non-Charitable Trust Accounts and Audit) Order 2005 (S.I. 2005/1074), arts. 1(2), **3(2)**

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