



Companies Act 2006

2006 CHAPTER 46

PART 16

AUDIT

CHAPTER 2

APPOINTMENT OF AUDITORS

General provisions

492 Fixing of auditor's remuneration

- (1) The remuneration of an auditor appointed by the members of a company must be fixed by the members by ordinary resolution or in such manner as the members may by ordinary resolution determine.
- (2) The remuneration of an auditor appointed by the directors of a company must be fixed by the directors.
- (3) The remuneration of an auditor appointed by the Secretary of State must be fixed by the Secretary of State.
- (4) For the purposes of this section “remuneration” includes sums paid in respect of expenses.
- (5) This section applies in relation to benefits in kind as to payments of money.

Modifications etc. (not altering text)

- C1** S. 492 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008 \(S.I. 2008/1911\)](#), **reg. 37**

Status: Point in time view as at 07/07/2014.

Changes to legislation: Companies Act 2006, Cross Heading: General provisions is up to date with all changes known to be in force on or before 10 September 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)

- C2** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

493 Disclosure of terms of audit appointment

- (1) The Secretary of State may make provision by regulations for securing the disclosure of the terms on which a company's auditor is appointed, remunerated or performs his duties.

Nothing in the following provisions of this section affects the generality of this power.

- (2) The regulations may—
- (a) require disclosure of—
 - (i) a copy of any terms that are in writing, and
 - (ii) a written memorandum setting out any terms that are not in writing;
 - (b) require disclosure to be at such times, in such places and by such means as are specified in the regulations;
 - (c) require the place and means of disclosure to be stated—
 - (i) in a note to the company's annual accounts (in the case of its individual accounts) or in such manner as is specified in the regulations (in the case of group accounts),
 - (ii) in^{F1}the strategic report or] the directors' report, or
 - (iii) in the auditor's report on the company's annual accounts.
- (3) The provisions of this section apply to a variation of the terms mentioned in subsection (1) as they apply to the original terms.
- (4) Regulations under this section are subject to affirmative resolution procedure.

Textual Amendments

- F1** Words in s. 493(2)(c)(ii) inserted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Companies Act 2006 \(Strategic Report and Directors' Report\) Regulations 2013 \(S.I. 2013/1970\)](#), reg. 1(2)(3), **Sch. para. 19**

Modifications etc. (not altering text)

- C3** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009 \(S.I. 2009/2436\)](#), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Commencement Information

- I1** S. 493 wholly in force at 6.4.2008; s. 493 not in force at Royal Assent, see s. 1300; s. 493 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5](#), **Sch. 1** and with [arts. 6, 8](#), **Sch. 5**); s. 493 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with [arts. 7, 12](#), **Sch. 4 paras. 9-19**)

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494 Disclosure of services provided by auditor or associates and related remuneration

- (1) The Secretary of State may make provision by regulations for securing the disclosure of—
- (a) the nature of any services provided for a company by the company's auditor (whether in his capacity as auditor or otherwise) or by his associates;
 - (b) the amount of any remuneration received or receivable by a company's auditor, or his associates, in respect of any such services.

Nothing in the following provisions of this section affects the generality of this power.

- (2) The regulations may provide—
- (a) for disclosure of the nature of any services provided to be made by reference to any class or description of services specified in the regulations (or any combination of services, however described);
 - (b) for the disclosure of amounts of remuneration received or receivable in respect of services of any class or description specified in the regulations (or any combination of services, however described);
 - (c) for the disclosure of separate amounts so received or receivable by the company's auditor or any of his associates, or of aggregate amounts so received or receivable by all or any of those persons.
- (3) The regulations may—
- (a) provide that “remuneration” includes sums paid in respect of expenses;
 - (b) apply to benefits in kind as well as to payments of money, and require the disclosure of the nature of any such benefits and their estimated money value;
 - (c) apply to services provided for associates of a company as well as to those provided for a company;
 - (d) define “associate” in relation to an auditor and a company respectively.
- (4) The regulations may provide that any disclosure required by the regulations is to be made—
- (a) in a note to the company's annual accounts (in the case of its individual accounts) or in such manner as is specified in the regulations (in the case of group accounts),
 - (b) in^{F2}the strategic report or] the directors' report, or
 - (c) in the auditor's report on the company's annual accounts.
- (5) If the regulations provide that any such disclosure is to be made as mentioned in subsection (4)(a) or (b), the regulations may require the auditor to supply the directors of the company with any information necessary to enable the disclosure to be made.
- (6) Regulations under this section are subject to negative resolution procedure.

Textual Amendments

- F2** Words in s. 494(4)(b) inserted (with effect in accordance with reg. 1(4) of the amending S.I.) by [The Companies Act 2006 \(Strategic Report and Directors' Report\) Regulations 2013 \(S.I. 2013/1970\)](#), reg. 1(2)(3), [Sch. para. 20](#)

Status: Point in time view as at 07/07/2014.

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Modifications etc. (not altering text)

- C4** S. 494 applied (with modifications) (1.10.2008) by [The Limited Liability Partnerships \(Accounts and Audit\) \(Application of Companies Act 2006\) Regulations 2008](#) (S.I. 2008/1911), **reg. 38**
- C5** Ss. 484-539 applied (with modifications) (1.10.2009) by [The Unregistered Companies Regulations 2009](#) (S.I. 2009/2436), regs. 3-5, **Sch. 1 para. 11** (with transitional provisions and savings in regs. 7, 9, Sch. 2)

Commencement Information

- I2** S. 494 wholly in force at 6.4.2008; s. 494 not in force at Royal Assent, see s. 1300; s. 494 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), **art. 3(3)** (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 494 in force at 6.4.2008 by [S.I. 2007/3495](#), **art. 3(1)(d)** (with [arts. 7, 12](#), [Sch. 4 paras. 9-19](#))

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