



Companies Act 2006

2006 CHAPTER 46

PART 42

STATUTORY AUDITORS

CHAPTER 1

INTRODUCTORY

1209 Main purposes of Part

The main purposes of this Part are—

- (a) to secure that only persons who are properly supervised and appropriately qualified are appointed as statutory auditors, and
- (b) to secure that audits by persons so appointed are carried out properly, with integrity and with a proper degree of independence.

1210 Meaning of “statutory auditor” etc

(1) In this Part “statutory auditor” means—

- (a) a person appointed as auditor under Part 16 of this Act,
- (b) a person appointed as auditor under section 77 of or Schedule 11 to the Building Societies Act 1986 (c. 53),
- (c) a person appointed as auditor of an insurer that is a friendly society under section 72 of or Schedule 14 to the Friendly Societies Act 1992 (c. 40),
- (d) ^{F1}
- [^{F2}(e) a person appointed as auditor for the purposes of regulation 5 of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 or appointed to report on the “aggregate accounts” within the meaning of those Regulations,]

Status: Point in time view as at 12/03/2015.

Changes to legislation: Companies Act 2006, Chapter 1 is up to date with all changes known to be in force on or before 24 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)

- [^{F3}(f) a person appointed as auditor of an insurance undertaking for the purposes of the Insurance Accounts Directive (Miscellaneous Insurance Undertakings) Regulations 2008,]
- [^{F4}(g) a person appointed as auditor of a bank for the purposes of the Bank Accounts Directive (Miscellaneous Banks) Regulations 2008,]
- (h) a person appointed as auditor of a prescribed person under a prescribed enactment authorising or requiring the appointment;
- and the expressions “statutory audit” and “statutory audit work” are to be construed accordingly.
- (2) In this Part “audited person” means the person in respect of whom a statutory audit is conducted.
- (3) In subsection (1)—
- “bank” means a person who—
- (a) [^{F5}is a credit institution within the meaning of Article 4(1)(1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, and]
- (b) is a company or a firm as defined in [^{F6} Article 54 of the Treaty on the Functioning of the European Union];
- “friendly society” means a friendly society within the meaning of the Friendly Societies Act 1992 (c. 40);
- ^{F7}
.....
- “insurer” means a person who is an insurance undertaking within the meaning given by Article 2.1 of Council Directive 1991/674/EEC on the annual accounts and consolidated accounts of insurance undertakings;
- “prescribed” means prescribed, or of a description prescribed, by order made by the Secretary of State for the purposes of subsection (1)(h).
- (4) An order under this section is subject to negative resolution procedure.

Textual Amendments

- F1** S. 1210(1)(d) omitted (6.4.2008) by virtue of [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008](#) (S.I. 2008/565), [reg. 15\(1\)\(b\)\(i\)](#)
- F2** S. 1210(1)(e) substituted (15.8.2008) by [The Insurance Accounts Directive \(Lloyd's Syndicate and Aggregate Accounts\) Regulations 2008](#) (S.I. 2008/1950), [reg. 31\(1\)](#) (with [reg. 31\(2\)](#))
- F3** S. 1210(1)(f) substituted (6.4.2008) by [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008](#) (S.I. 2008/565), [reg. 15\(1\)\(a\)](#)
- F4** S. 1210(1)(g) substituted (6.4.2008) by [The Bank Accounts Directive \(Miscellaneous Banks\) Regulations 2008](#) (S.I. 2008/567), [reg. 14](#)
- F5** Words in s. 1210(3) substituted (1.1.2014) by [The Capital Requirements Regulations 2013](#) (S.I. 2013/3115), [reg. 1\(2\)](#), [Sch. 2 para. 42\(3\)](#) (with [reg. 44](#))
- F6** S. 1210(3): words in definition of “bank” substituted (1.8.2012) by [The Treaty of Lisbon \(Changes in Terminology or Numbering\) Order 2012](#), art. 3(1), {Sch. Pt. 1} (with art. 2(2))
- F7** S. 1210(3): definition of “industrial and provident society” omitted (6.4.2008) by virtue of [The Insurance Accounts Directive \(Miscellaneous Insurance Undertakings\) Regulations 2008](#) (S.I. 2008/565), [reg. 15\(1\)\(b\)\(ii\)](#)

Commencement Information

- I1** S. 1210 wholly in force at 6.4.2008; s. 1210 not in force at Royal Assent, see s. 1300; s. 1210 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.](#)

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6, 8, Sch. 5); s. 1210 in force at 6.4.2008 by S.I. 2007/3495, **art. 3(1)(u)** (with savings in arts. 7, 12, Sch. 4 paras. 37-42)

1211 Eligibility for appointment as a statutory auditor: overview

A person is eligible for appointment as a statutory auditor only if the person is so eligible—

- (a) by virtue of Chapter 2 (individuals and firms), or
- (b) by virtue of Chapter 3 (Comptroller and Auditor General, etc).

Status:

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