
STATUTORY INSTRUMENTS

2007 No. 3494

**The Statutory Auditors and Third
Country Auditors Regulations 2007**

PART 4

RECOGNISED SUPERVISORY BODIES

Arrangements for independent monitoring of audits of listed companies and other major bodies

28.—(1) Paragraph 23 of Schedule 10 to the Companies Act 2006 (arrangements for independent monitoring of audits of listed companies and other major bodies) is amended as follows.

(2) In sub-paragraph (1) for “paragraph 13(1)” substitute “paragraph 13(1)(b)”.

(3) After sub-paragraph (1) insert—

“(1A) Subject to sub-paragraph (1C), the arrangements referred to in sub-paragraph (1) must include provision for an inspection conducted in relation to each person eligible for appointment as a statutory auditor at least once every three years.

(1B) Sub-paragraphs (4) to (9) of paragraph 13 apply in relation to inspections under sub-paragraph (1A) as they apply in relation to inspections under that paragraph.

(1C) The arrangements referred to in sub-paragraph (1) may provide that the body performing the inspections may decide that all or part of the inspection referred to in sub-paragraph (1A) is not required in the case of a member of a supervisory body who performs statutory audit functions in respect of ten or fewer major audits per year.

(1D) If—

- (a) the arrangements make the provision referred to in sub-paragraph (1C), and
- (b) the body performing the inspections decides that all of an inspection is not required in relation to a member,

the supervisory body must ensure that the arrangements referred to in paragraph 13(1)(a) apply in relation to that member, subject to the modification specified in sub-paragraph (1F).

(1E) If—

- (a) the arrangements make the provision referred to in sub-paragraph (1C), and
- (b) the body performing the inspections decides that part of an inspection is not required in relation to a member,

the supervisory body must ensure that the arrangements referred to in paragraph 13(1)(a) apply in relation to that part of the inspection of that member, subject to the modification specified in sub-paragraph (1F).

(1F) For the purposes of sub-paragraphs (1D) and (1E), paragraph 13(3) applies with the substitution of “three years” for “six years”.