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STATUTORY INSTRUMENTS

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**2015 No. 980**

**The Companies, Partnerships and Groups  
(Accounts and Reports) Regulations 2015**

**PART 2**

Amendment of the Act

**Amendment of Chapter 3 of Part 16 (audit: functions of auditor)**

**11.**—(1) Chapter 3 of Part 16 of the Act is amended as follows.

(2) For section 496 (auditor's report on strategic report and directors' report), substitute—

**“496 Auditor's report on strategic report and director's report**

**496.** In his report on the company's annual accounts, the auditor must—

- (a) state whether, in his opinion, based on the work undertaken in the course of the audit—
  - (i) the information given in the strategic report (if any) and the directors' report for the financial year for which the accounts are prepared is consistent with those accounts, and
  - (ii) any such strategic report and the directors' report have been prepared in accordance with applicable legal requirements,
- (b) state whether, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, he has identified material misstatements in the strategic report (if any) and the directors' report, and
- (c) if applicable, give an indication of the nature of each of the misstatements referred to in paragraph (b).”

(3) For section 497A (auditor's report on separate corporate governance statement) <sup>M1</sup>, substitute—

**“497A Auditor's report on separate corporate governance statement**

**497A.** Where the company prepares a separate corporate governance statement in respect of a financial year, the auditor must, in his report of the company's annual accounts for that year—

- (a) state whether, in his opinion, based on the work undertaken in the course of the audit, the information given in the statement in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (information about internal control and risk management systems in relation to financial reporting processes and about share capital structures)—
  - (i) is consistent with those accounts, and

- (ii) has been prepared in accordance with applicable legal requirements,
- (b) state whether, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, he has identified material misstatements in the information in the statement referred to in paragraph (a),
- (c) if applicable, give an indication of the nature of each of the misstatements referred to in paragraph (b), and
- (d) state whether, in his opinion, based on the work undertaken in the course of the audit, rules 7.2.2, 7.2.3 and 7.2.7 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees) have been complied with, if applicable.”

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**Marginal Citations**

- M1** Section 497A was inserted by the [Companies Act 2006 \(Accounts, Reports and Audit\) Regulations 2009 \(S.I. 2009/1581\)](#), [regulation 6](#) and subsequently amended by the [Financial Services Act 2012 \(Consequential Amendments\) Order 2013 \(S.I. 2013/636\)](#), [Schedule](#), paragraph 9.

**Changes to legislation:**

There are currently no known outstanding effects for the The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015, Section 11.