

## Technical factsheet

# Guidance on notification to appropriate audit authority on auditor ceasing to hold office

This replaces the previous technical factsheet 142

The Audit and Accounts provisions of the Companies Act 2006 came fully into force on 6 April 2008. The provisions include new requirements under sections 522 to 525 of the act for auditors and companies to notify the 'appropriate audit authority' when an auditor ceases to hold office. The requirement to notify the 'appropriate audit authority' is placed separately on auditors and companies, and therefore both need to discharge their notification obligation. It needs to be noted that there are significant differences between the requirements placed on auditors and those placed on companies.

This guidance is intended to provide support to auditors and companies in respect of the process of notification to the appropriate audit authority under companies legislation when an auditor ceases to hold office. The guidance also provides some examples and explanation in respect of statements of circumstances that auditors need to produce upon ceasing to hold office under section 519 of the act.

The guidance is articulated in the following sections:

### **A. AUDITORS' OBLIGATIONS**

- A1 – flowchart of notification for audit firms upon ceasing to hold office
- A2 – statement of circumstances under Section 519
- A3 – content and timing of notification
- A4 – examples of statements of circumstances and notifications to audit authority

### **B. COMPANY'S OBLIGATIONS**

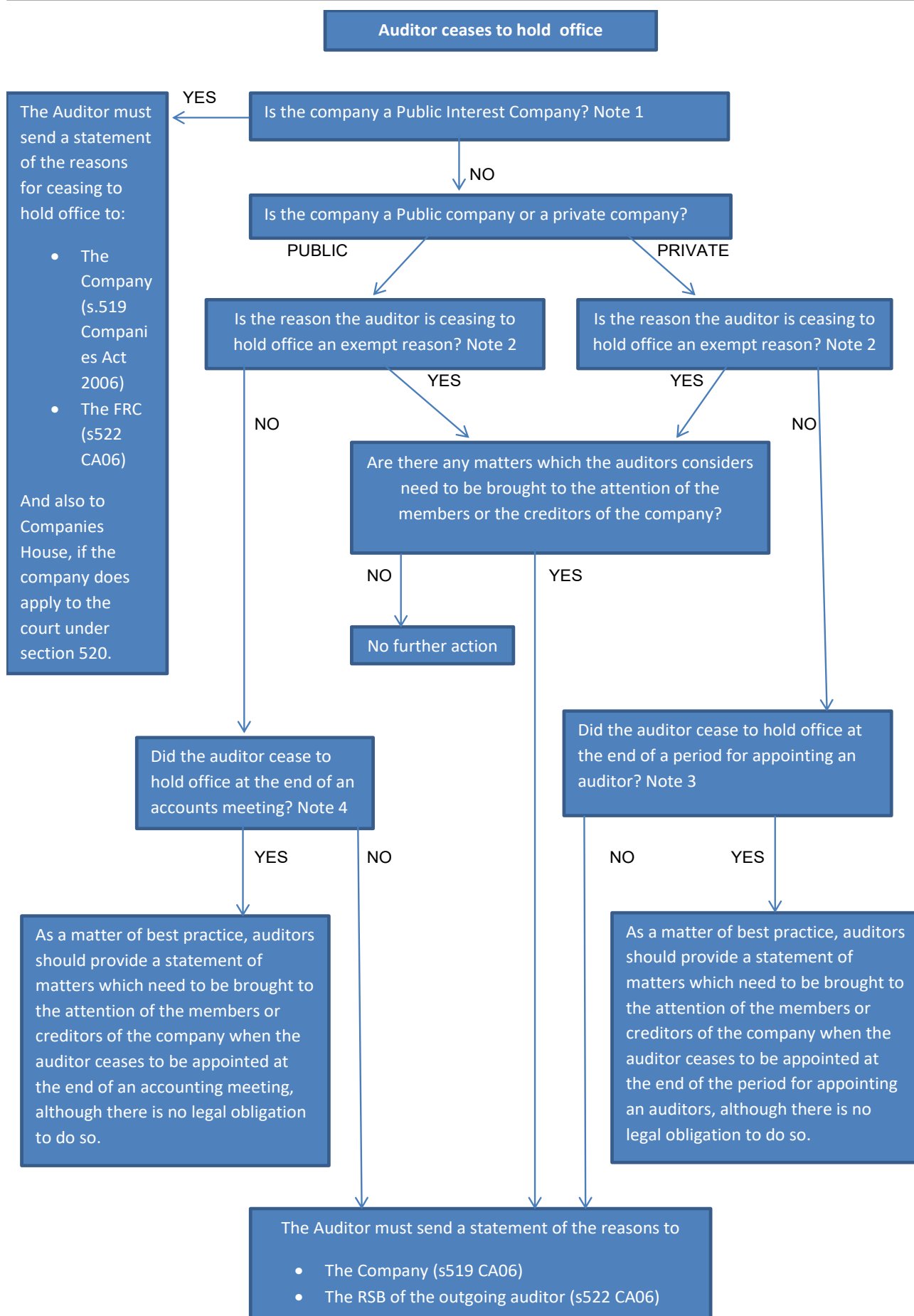
- B1 – flowchart of notification for companies upon change of auditor
- B2 – content and timing of notification
- B3 – examples of notifications to audit authority

### **C. NOTIFICATION CONTACT DETAILS**

**Appendix I** – excerpts from Companies Act 2006

## SECTION A: AUDITOR'S OBLIGATIONS

### A1 – flowchart of notification for audit firms upon ceasing to hold office (as per FRC)



## Form of the statement

The statement must include:

1. the auditor's name and address
2. the number allocated to the auditor on being entered in the register of auditors kept under section 1239 CA06
3. the company's name and registered number.

Where there are matters connected with an auditor's ceasing to hold office that the auditor considers need to be brought to the attention of members or creditors of the company, the statement under this section must include details of those matters.

If the auditor considers that none of the reasons for ceasing to hold office and no matters (if any) connected with the auditor's ceasing to hold office need to be brought to the attention of members or creditors of the company, the statement must include a statement to that effect.

## Note 1

Section 519A CA06, as amended by Statutory Auditors and Third Country Auditors Regulation 2016, defines a **public interest company** as a company that is:

1. an issuer whose transferable securities are admitted to trading on a regulated market
2. a credit institution within the meaning given by Article 4(1)(1) of Regulation EU No. 575/2013 of the European Parliament and of the Council, other than one listed in Article 2 of [Directive 2013/36/EU](#) of the European Parliament and of the Council on access to the activity of credit institutions and investment firms or
3. an insurance undertaking within the meaning given by Article 2(1) of the Council [Directive 1991/674/EEC](#) of the European Parliament and of the Council on the annual accounts and consolidated accounts of insurance undertakings.

'Transferable securities' means anything which is a transferable security for the purposes of [Directive 2004/39/EC](#) of the European Parliament and of the Council on markets in financial instruments.

"Issuer" and "regulated market" have the same meaning as in Part 6 of the Financial Services and Markets Act 2000.

## Note 2

Section 519A(3) of CA06 defines "**exempt reasons**" as circumstances where:

1. The auditor is no longer to carry out statutory audit work within the meaning of Part 42 (see section 1210(1)).
2. The company is, or is to become, exempt from audit under section 477, 479A or 480, or from the requirements of this part under section 482, and intends to include in its balance sheet a statement of the type described in section 475(2).
3. The company is a subsidiary undertaking of a parent undertaking that is incorporated in the United Kingdom and
  - a. the parent undertaking prepares group accounts, and
  - b. the auditor is being replaced as auditor of the company by the auditor who is conducting, or is to conduct, an audit of the group accounts.
4. The company is being wound-up under Part 4 of the Insolvency Act 1986 or Part 5 of the Insolvency (Northern Ireland) Order 1989 (SI 1989/2405 (NI 19)), whether voluntarily or by the court, or a petition under Part 4 of that Act or Part 5 of that Order for the winding up of the company has been presented and not finally dealt with or withdrawn.

The reason described in note 2 (3) above is only an exempt reason if the auditor who is conducting, or is to conduct, an audit of the group accounts is also conducting, or is also to conduct, the audit (if any) of the accounts of each of the subsidiary undertakings (of the parent undertaking) that is incorporated in the United Kingdom and included in the consolidation.

### **Note 3**

The end of the period for appointing an auditor for private companies is 28 days beginning with (see section 485(2) of CA06):

- a. the end of the time allowed for sending out copies of the company's annual accounts and reports for the previous financial year (see section 424), and
- b. the day on which copies of the company's annual accounts and reports for the previous financial year are sent out under section 423.

### **Note 4**

The end of an accounts meeting for a public company is the date of a general meeting of the company at which the company's annual accounts and reports are (or are to be) laid in accordance with S.437 CA06.

## **A2 – statement by auditor to be sent to company under Section 519**

Section 519 of the Companies Act 2006 requires an auditor of a public interest company, upon ceasing to hold office, to deposit with the company a statement of circumstances connected with their ceasing to hold office. An auditor of a non-public interest company who is ceasing to hold office must send to the company a statement of the reasons for doing so, subject to conditions stated in section 519 (2A) and 519 (2B).

The auditor of a public interest company has a duty to deposit a statement about the circumstances connected with their ceasing to hold office, even if they are of no particular relevance to shareholders or creditors, like, for instance, their failure to seek re-appointment by losing a tender for the audit.

For a non-public interest company, the auditor can decide whether a statement of circumstances that should be brought to the attention of shareholders or creditors is needed. Where an auditor of a company sends a statement under section 519, sections 522 and 523 of the act place a requirement on the auditor to include in their notification to the appropriate audit authority a statement of the reasons for ceasing to hold office.

## **A3 – content and timing of notification**

Section 522 of the act imposes a duty on an auditor to notify the appropriate audit authority upon ceasing to hold office.

- In the case of a public interest company (other than an auditor general), the appropriate audit authority to be notified is the Financial Reporting Council and the notification is due regardless of the reason for ceasing to hold office.
- **In the case of an audit that is not a public interest company, the notification is due only if the auditor ceases to hold office before the end of their term of office or not**

**because of exempt reasons as highlighted in the flowchart. In such a case, the appropriate audit authority to be notified by ACCA firms is ACCA.**

The content of the notification by the auditor must include:

- information to the appropriate audit authority that he has ceased to hold office and
- a copy of the statement deposited with the company under section 519, even if that is a statement that there are no circumstances to draw attention to.

The timing of the auditor's notification to either the FRC or ACCA should be, for ACCA firms, at the same time as the section 519 statement is deposited with the company.

There is no statutory format for the auditor's or company's notification to be made to the FRC or ACCA. However, it should be clear, whether this is sent electronically or by post, who has signed the notification, and in what capacity, giving contact details in case of a query. The notification should include the year end of the company's last audited accounts, the company number and address of the registered office.

If the notification is sent by email, this should be in the form of an electronic copy of a letter.

#### **A4 – examples of statements of circumstances and notifications to audit authority**

##### ***Report by auditor on ceasing to hold office to be sent to company (statement of circumstances)***

Under section 519, an auditor of a non-public interest company on ceasing to hold office for any reason must deposit at the company's registered office statement "A" below.

Where an auditor of a public interest company ceases to hold office for any reason they must deposit statement "B" below.

##### **A: STATEMENT TO THE DIRECTORS OF XYZ LIMITED ON CEASING TO HOLD OFFICE AS AUDITOR**

In accordance with section 519 of the Companies Act 2006, the circumstances connected with our ceasing to hold office were as follows

[Signature]  
John Smith (Senior Statutory Auditor)  
For and on behalf of ABC LLP, Statutory Auditor

Address  
Date

##### **B: STATEMENT TO THE DIRECTORS OF XYZ PLC ON CEASING TO HOLD OFFICE AS AUDITOR**

In accordance with section 519 of the Companies Act 2006, the circumstances connected with our ceasing to hold office were as follows

[Signature]  
John Smith (Senior Statutory Auditor)  
For and on behalf of ABC LLP, Statutory Auditor

Address  
Date

***Auditor notification to appropriate audit authority of ceasing to hold office***

The following are examples of letters of notification that an auditor would submit to the appropriate audit authority. Paragraph 1 is for the non-public interest company and paragraph 2 is for the public interest company.

To: Appropriate Audit Authority

Notification under section 522 of the Companies Act 2006 by [insert auditor name]

1. On x June 200z we, [insert auditor name], have ceased to hold office as auditor of [insert company name, registered number and registered office address]. The last audited financial statements of the company were those for the year ended x December 200z.

We have deposited with the company a statement of circumstances in connection with our ceasing to hold office that we consider need to be brought to the attention of members or creditors of the company. A copy of that statement is enclosed.

2. On x June 200z we, [insert auditor name], have ceased to hold office as auditor of [insert company name, registered number and registered office address]. The last audited financial statements of the company were those for the year ended x December 200z.

We have deposited with the company a statement of circumstances in connection with our ceasing to hold office. A copy of that statement is enclosed.

For and on behalf of [insert auditor name]

[Signature]

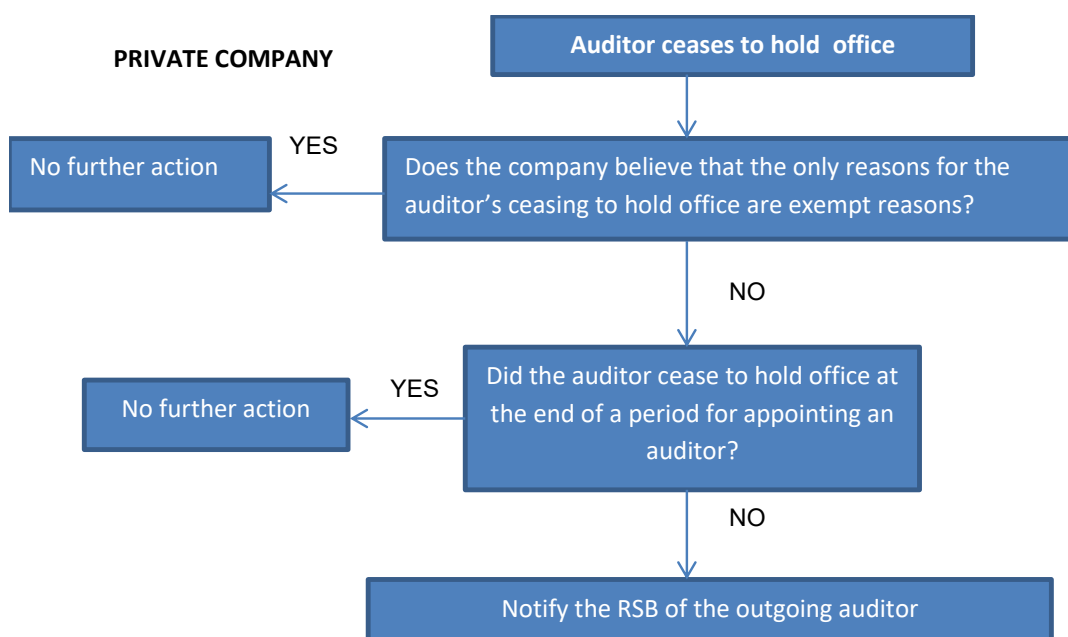
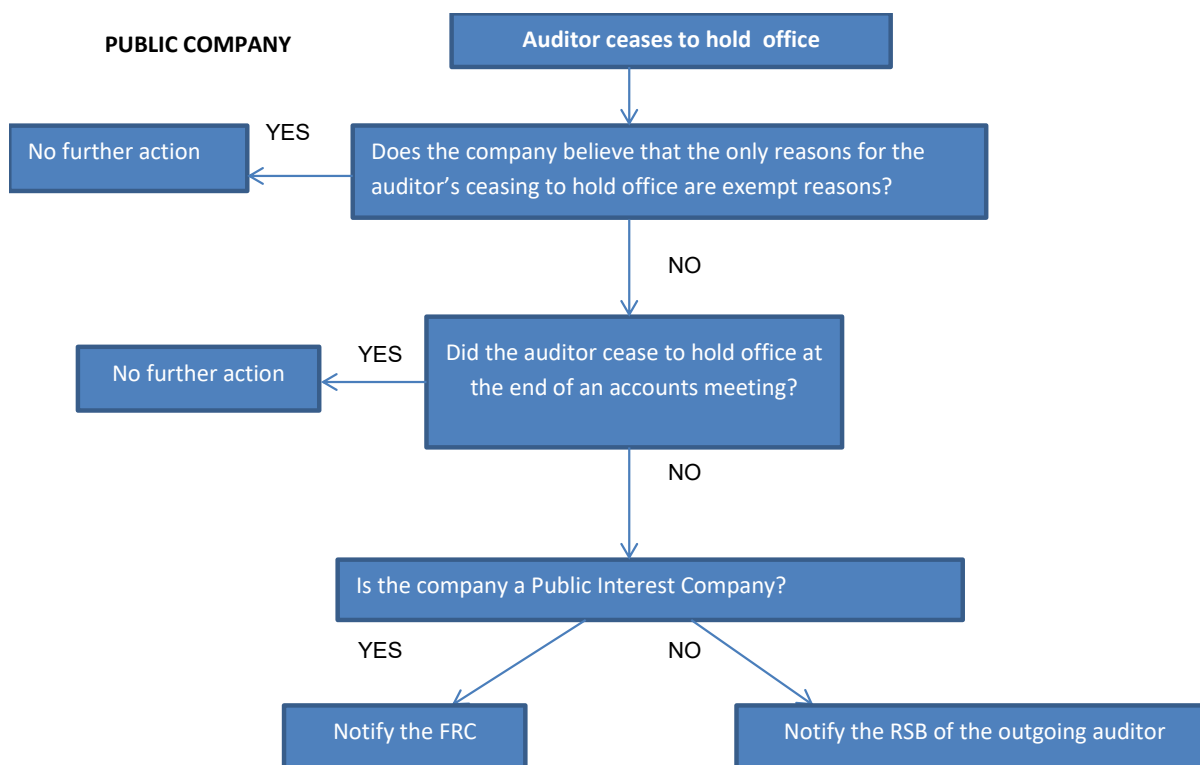
James Simpson (Partner/Manager)

[insert contact details]

In the case of a group of companies, where the auditor of the parent company and of the subsidiary companies are the same and cease the appointment at the same time, the auditor and the companies can meet their obligations by a single statement accompanied by a list of the companies to which it applies, which should also, if appropriate, give explanation if different reasons for the cessation apply to different companies.

## SECTION B COMPANY'S OBLIGATIONS

### B1 – flowchart of notification for companies upon change of auditor (as per FRC)



## **B2 – content and timing of notification**

Section 523 of the act imposes a duty on a company to notify the appropriate audit authority when an auditor ceases to hold office before the end of their term of office. This section does not apply if the company reasonably believes that the only reasons for the auditor's ceasing to hold office are exempt reasons (see section 519A(3)).

The requirement placed on the company is therefore narrower than that placed on the auditor, as it is only applicable in the case of an auditor ceasing before the end of their term of office or the auditors ceasing to hold office for exempt reasons.

- In the case of a public interest company audit (see Appendix I), the appropriate audit authority to be notified is the Financial Reporting Council (FRC).
- In the case of an audit that is not a public interest company audit, the notification must be made to ACCA or any other relevant recognised supervisory body.

The notification made by the company must include:

- information to the appropriate audit authority that the auditor has ceased to hold office and
- a statement by the company of the reasons for their ceasing to hold office, or
- a copy of the statement deposited with the company under section 519 if this contains a statement of circumstances connected with the cessation that need to be brought to the attention of members or creditors of the company, or
- the notice may be in the form of a copy of the statement endorsed by the company to the effect that it agrees with the contents of the statement.

The company must notify the appropriate audit authority not later than 28 days beginning with the day on which the auditor ceases to hold office.

There is no statutory format for the auditor's or company's notification to be made to the FRC or ACCA. However, it should be clear, whether this is sent electronically or by post, who has signed the notification, and in what capacity, giving contact details in case of a query. The notification should include the year end of the company's last audited accounts, the company number and address of the registered office.

If the notification is sent by email, this should be in the form of an electronic copy of a letter.

## **B3 – examples of notifications to audit authority**

### ***Company notification to appropriate audit authority of change of auditor***

The following are examples of letters that an audit company client would submit to an appropriate audit authority:

To: Appropriate Audit Authority

Notification under section 523 of the Companies Act 2006 by [insert company name, registered number and registered office address]



1. On x June 200z [insert auditor name] ceased to hold office as auditor of the company. The last audited financial statements of the company were those for the year ended x December 200z.  
[Insert auditor name] deposited with this company a statement of circumstances in connection with them ceasing to hold office that they considered need to be brought to the attention of members or creditors of the company. A copy of that statement is enclosed.
2. On x June 200z [insert auditor name] ceased to hold office as auditor of the company. The last audited financial statements of the company were those for the year ended x December 200z.  
The reason for them ceasing to hold office was that we were unable to reach agreement on the accounting treatment of [tangible fixed assets/stocks/income recognition/related parties adjust as required].

For and on behalf of [insert company name]  
[Signature]  
James Simpson (Director/Secretary)  
[insert contact details]

### SECTION C NOTIFICATION CONTACT DETAILS

Notification can be sent via email or letter as follows:

If notification is to ACCA	If notification is to the FRC
Regulation Operations team The Adelphi 1-11 John Adam Street London WC2N 6AU  Email: <a href="mailto:regulationoperations@accaglobal.com">regulationoperations@accaglobal.com</a> Tel: 020 7059 5992	Change of Auditor Notification Financial Reporting Council 8 <sup>th</sup> Floor 125 London Wall London EC2Y 5AS  Email: <a href="mailto:auditorresignation@frc.org.uk">auditorresignation@frc.org.uk</a>

For company's notifications, the appropriate audit authority could also be one of the following:

The Chartered Institute of Chartered Accountants in England and Wales (ICAEW)  
ARC Secretary  
Professional Conduct Department  
ICAEW  
321 Avebury Boulevard  
Milton Keynes  
MK9 2FZ

The Institute of Chartered Accountants in Ireland (ICAI)  
CA House  
47-49 Pearse Street  
Dublin 2, Ireland  
Tel +353 1 637 7200  
Fax +353 1 668 0842  
[www.charteredaccountants.ie](http://www.charteredaccountants.ie)

The Institute of Chartered Accountants of Scotland (ICAS)  
CA House  
21 Haymarket Yards  
Edinburgh EH 12 5BH  
Tel +44 (0)131 347 0100  
Fax +44 (0)131 347 0105  
[www.icas.org.uk](http://www.icas.org.uk)

## **APPENDIX I**

### **Excerpts from Companies Act 2006**

Sections 385, 519, 520, 521, 522, 523, 525 and 531 of The Companies Act 2006 are reproduced below.

#### **385 Quoted and unquoted companies**

1. For the purposes of this Part a company is a quoted company in relation to a financial year if it is a quoted company immediately before the end of the accounting reference period by reference to which that financial year was determined.
2. A “quoted company” means a company whose equity share capital:
  - a) has been included in the official list in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000 (c 8), or
  - b) is officially listed in an EEA State, or
  - c) is admitted to dealing on either the New York Stock Exchange or the exchange known as Nasdaq.

In paragraph a) “the official list” has the meaning given by section 103(1) of the Financial Services and Markets Act 2000.

3. An “unquoted company” means a company that is not a quoted company.
4. The Secretary of State may by regulations amend or replace the provisions of subsections 1 to 2 so as to limit or extend the application of some or all of the provisions of this Part that are expressed to apply to quoted companies.
5. Regulations under this section extending the application of any such provision of this Part are subject to affirmative resolution procedure.
6. Any other regulations under this section are subject to negative resolution procedure.

#### **519 Statement by auditor to be deposited with company**

1. An auditor of a public interest company who is ceasing to hold office (at any time and for any reason) must send to the company a statement of the reasons for doing so.
2. An auditor (“A”) of a non-public interest company who is ceasing to hold office must send to the company a statement of the reasons for doing so unless A satisfies the first or second condition.
  - 2A. The first condition is that A is ceasing to hold office:
    - a) in the case of a private company, at the end of a period for appointing auditors
    - b) in the case of a public company, at the end of an accounts meeting.
  - 2B. The second condition is that:
    - a) A’s reasons for ceasing to hold office are all exempt reasons (as to which see section 519A(3)), and
    - b) there are no matters connected with A’s ceasing to hold office that A considers need to be brought to the attention of members or creditors of the company.
3. A statement under this section must include:

- a) the auditor's name and address
  - b) the number allocated to the auditor on being entered in the register of auditors kept under section 1239
  - c) the company's name and registered number.
- 3A. Where there are matters connected with an auditor's ceasing to hold office that the auditor considers need to be brought to the attention of members or creditors of the company, the statement under this section must include details of those matters.
- 3B. Where:
- a) an auditor ("A") of a non-public interest company is required by subsection (2) to send a statement, and
  - b) A considers that none of the reasons for A's ceasing to hold office, and no matters (if any) connected with A's ceasing to hold office, need to be brought to the attention of members or creditors of the company,
- A's statement under this section must include a statement to that effect.
4. A statement under this section must be sent:
- a) in the case of resignation, along with the notice of resignation
  - b) in the case of failure to seek re-appointment, not less than 14 days before the end of the time allowed for next appointing an auditor
  - c) in any other case, not later than the end of the period of 14 days beginning with the date on which they cease to hold office.
5. A person ceasing to hold office as auditor who fails to comply with this section commits an offence.
6. In proceedings for such an offence it is a defence for the person charged to show that they took all reasonable steps and exercised all due diligence to avoid the commission of the offence.
7. A person guilty of an offence under this section is liable:
- a) on conviction on indictment, to a fine
  - b) on summary conviction, to a fine not exceeding the statutory maximum.
8. Where an offence under this section is committed by a body corporate, every officer of the body who is in default also commits the offence. For this purpose:
- a) any person who purports to act as director, manager or secretary of the body is treated as an officer of the body, and
  - b) if the body is a company, any shadow director is treated as an officer of the company.

#### **519A Meaning of "public interest company", "non-public interest company" and "exempt reasons"**

1. In this Chapter:
- "public interest company" means a company which is
    - a) an issuer whose transferable securities are admitted to trading on a regulated market
    - b) a credit institution within the meaning given by Article 4(1)(1) of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, other than one listed in Article 2 of Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and investment firms, or

- c) an insurance undertaking within the meaning given by Article 2(1) of Council Directive 1991/674/EEC of the European Parliament and of the Council on the annual accounts and consolidated accounts of insurance undertakings.
2. For the purposes of the definition of “public interest company”:
    - “issuer” has the same meaning as in Part 6 of the Financial Services and Markets Act 2000 (see section 102A(6))
    - “regulated market” has the same meaning as in Part 6 of the Financial Services and Markets Act 2000 (see section 103(1))
    - “transferable securities” means anything that is a transferable security for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments.
  3. In the application of this Chapter to an auditor (“A”) of a company ceasing to hold office, the following are “exempt reasons”:
    - a) A is no longer to carry out statutory audit work within the meaning of Part 42 (see section 1210(1))
    - b) the company is, or is to become, exempt from audit under section 477, 479A or 480, or from the requirements of this Part under section 482, and intends to include in its balance sheet a statement of the type described in section 475(2)
    - c) the company is a subsidiary undertaking of a parent undertaking that is incorporated in the United Kingdom and
      - i. the parent undertaking prepares group accounts, and
      - ii. A is being replaced as auditor of the company by the auditor who is conducting, or is to conduct, an audit of the group accounts
    - d) the company is being wound up under Part 4 of the Insolvency Act 1986 or Part 5 of the Insolvency (Northern Ireland) Order 1989 ( S.I. 1989/2405 (N.I. 19)), whether voluntarily or by the court, or a petition under Part 4 of that Act or Part 5 of that Order for the winding up of the company has been presented and not finally dealt with or withdrawn.
  4. But the reason described in subsection 3c) is only an exempt reason if the auditor who is conducting, or is to conduct, an audit of the group accounts is also conducting, or is also to conduct, the audit (if any) of the accounts of each of the subsidiary undertakings (of the parent undertaking) that is incorporated in the United Kingdom and included in the consolidation.
  5. The Secretary of State may by order amend the definition of “public interest company” in subsection (1).
  6. An order under subsection (5) is subject to negative resolution procedure.

### **520 Company’s duties in relation to statement**

1. This section applies where a company receives from an auditor (“A”) who is ceasing to hold office a statement under section 519 except where:
  - a) the company is a non-public interest company, and
  - b) the statement includes a statement to the effect that A considers that none of the reasons for A's ceasing to hold office, and no matters (if any) connected with A's ceasing to hold office, need to be brought to the attention of members or creditors of the company (as required by section 519(3B)).

2. Where this section applies, the company must within 14 days of the receipt of the statement either:
  - a) send a copy of it to every person who under section 423 is entitled to be sent copies of the accounts, or
  - b) apply to the court.
3. If it applies to the court, the company must notify the auditor of the application.
4. If the court is satisfied that the auditor is using the provisions of section 519 to secure needless publicity for defamatory matter:
  - a) it shall direct that copies of the statement need not be sent out, and
  - b) it may further order the company's costs (in Scotland, expenses) on the application to be paid in whole or in part by the auditor, even if he is not a party to the application.The company must within 14 days of the court's decision send to the persons mentioned in subsection 2a a statement setting out the effect of the order.
5. If no such direction is made, the company must send copies of the statement to the persons mentioned in subsection 2a within 14 days of the court's decision or, as the case may be, of the discontinuance of the proceedings.
6. In the event of default in complying with this section, an offence is committed by every officer of the company who is in default.
7. In proceedings for such an offence, it is a defence for the person charged to show that they took all reasonable steps and exercised all due diligence to avoid the commission of the offence.
8. A person guilty of an offence under this section is liable:
  - a) on conviction on indictment, to a fine
  - b) on summary conviction, to a fine not exceeding the statutory maximum.

#### **521 Copy of statement to be sent to registrar**

This section applies where an auditor ("A") of a company sends a statement to the company under section 519 except where:

- a) the company is a non-public interest company, and
  - b) the statement includes a statement to the effect that A considers that none of the reasons for A's ceasing to hold office, and no matters (if any) connected with A's ceasing to hold office, need to be brought to the attention of members or creditors of the company (as required by section 519(3B)).
1. Where this section applies, unless within 21 days beginning with the day on which they sent the statement under section 519 the auditor receives notice of an application to the court under section 520, they must within a further seven days send a copy of the statement to the registrar.
  2. If an application to the court is made under section 520 and the auditor subsequently receives notice under subsection 5 of that section, they must within seven days of receiving the notice send a copy of the statement to the registrar.
  3. An auditor who fails to comply with subsection 1 or 2 commits an offence.

4. In proceedings for such an offence it is a defence for the person charged to show that they took all reasonable steps and exercised all due diligence to avoid the commission of the offence.
5. A person guilty of an offence under this section is liable:
  - a) on conviction on indictment, to a fine
  - b) on summary conviction, to a fine not exceeding the statutory maximum.
6. Where an offence under this section is committed by a body corporate, every officer of the body who is in default also commits the offence. For this purpose:
  - a) any person who purports to act as director, manager or secretary of the body is treated as an officer of the body, and
  - b) if the body is a company, any shadow director is treated as an officer of the company.

#### **522 Duty of auditor to send statement to] appropriate audit authority**

1. Where an auditor of a company sends a statement under section 519, the auditor must at the same time send a copy of the statement to the appropriate audit authority.
2. A person ceasing to hold office as auditor who fails to comply with this section commits an offence.
3. If that person is a firm, an offence is committed by:
  - a) the firm, and
  - b) every officer of the firm who is in default.
4. In proceedings for an offence under this section, it is a defence for the person charged to show that they took all reasonable steps and exercised all due diligence to avoid the commission of the offence.
5. A person guilty of an offence under this section is liable:
  - a) on conviction on indictment, to a fine
  - b) on summary conviction, to a fine not exceeding the statutory maximum.

#### **523 Duty of company to notify appropriate audit authority**

1. This section applies if an auditor is ceasing to hold office:
  - a) in the case of a private company, at any time other than at the end of a period for appointing auditors
  - b) in the case of a public company, at any time other than at the end of an accounts meeting.
- 1A. But this section does not apply if the company reasonably believes that the only reasons for the auditor's ceasing to hold office are exempt reasons (as to which, see section 519A(3)).
2. Where this section applies, the company must give notice to the appropriate audit authority that the auditor is ceasing to hold office.
- 2A. The notice is to take the form of a statement by the company of what the company believes to be the reasons for the auditor's ceasing to hold office and must include the information listed in section 519(3).  
This is subject to subsection 2C.

- 2B. Subsection 2C applies where—
  - a) the company receives a statement from the auditor under section 519
  - b) the statement is sent at the time required by section 519(4) and
  - c) the company agrees with the contents of the statement.
- 2C. Where this subsection applies, the notice may instead take the form of a copy of the statement endorsed by the company to the effect that it agrees with the contents of the statement.
3. A notice under this section must be given within the period of 28 days beginning with the day on which the auditor ceases to hold office.
4. If a company fails to comply with this section, an offence is committed by:
  - a) the company, and
  - b) every officer of the company who is in default.
5. In proceedings for such an offence it is a defence for the person charged to show that they took all reasonable steps and exercised all due diligence to avoid the commission of the offence.
6. A person guilty of an offence under this section is liable:
  - a) on conviction on indictment, to a fine
  - b) on summary conviction, to a fine not exceeding the statutory maximum.

#### **524 Provision of information] to accounting authorities**

1. Where the appropriate audit authority receives a statement under section 522 or a notice under section 523, the authority may forward to the accounting authorities:
  - a) a copy of the statement or notice, and
  - b) any other information the authority has received from the auditor or the company concerned in connection with the auditor's ceasing to hold office.
2. The accounting authorities are:
  - a) the Secretary of State, and
  - b) any person authorised by the Secretary of State for the purposes of section 456 (revision of defective accounts: persons authorised to apply to court).
3. Omitted. . . . .
4. If the court has made an order under section 520(4) directing that copies of the statement need not be sent out by the company, sections 460 and 461 (restriction on further disclosure) apply in relation to the copies sent to the accounting authorities as they apply to information obtained under section 459 (power to require documents etc).

#### **525 Meaning of “appropriate audit authority”**

1. In sections 522, 523 and 524 “appropriate audit authority” means:
  - a) in relation to an auditor of a public interest company (other than an Auditor General)
    - (i) the Secretary of State, or
    - (ii) if the Secretary of State has delegated functions under section 1252 to a body whose functions include receiving the statement or notice in question, that body
  - a) in the case of a major audit (other than one conducted by an Auditor General), the Financial Reporting Council Limited



- b) in relation to an auditor of a non-public interest company (other than an Auditor General)], the relevant supervisory body.
- c) in relation to an Auditor General, the Independent Supervisor.  
“Supervisory body” and “Independent Supervisor” have the same meaning as in Part 42 (statutory auditors) (see sections 1217 and 1228).

### **531 Meaning of “quoted company”**

1. For the purposes of this Chapter, a company is a quoted company if it is a quoted company in accordance with section 385 (quoted and unquoted companies for the purposes of Part 15) in relation to the financial year to which the accounts to be laid at the next accounts meeting relate.
2. The provisions of subsections (4) to (6) of that section (power to amend definition by regulations) apply in relation to the provisions of this Chapter as in relation to the provisions of that Part.

April 2025

### **ACCA LEGAL NOTICE**

This is a basic guide prepared by ACCA UK’s Technical Advisory Service for members and their clients. It should not be used as a definitive guide, since individual circumstances may vary. Specific advice should be obtained, where necessary.