STATUTORY INSTRUMENTS

2015 No. 841 (C. 53)

LOCAL GOVERNMENT, ENGLAND AND WALES

The Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015

Made - - - - 23rd March 2015

The Secretary of State for Communities and Local Government makes the following Order in exercise of the powers conferred by section 49(1) and (5) to (8) of the Local Audit and Accountability Act 2014(**1**).

Citation

1. This Order may be cited as the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015.

Interpretation

2. In this Order—

"the 1998 Act" means the Audit Commission Act 1998(**2**);

"the 2014 Act" means the Local Audit and Accountability Act 2014;

"the Audit Commission" means the Audit Commission for Local Authorities and the National Health Service in England;

"relevant financial year" means a financial year—

(a) beginning before 1st April 2015, or

(b) falling within the transitional period;

"transitional period" means the period beginning with 1st April 2015 and ending with 31st March 2017.

Provisions of the 2014 Act coming into force on 1st April 2015

3. 1st April 2015 is the day appointed for the coming into force of the following provisions of the 2014 Act, subject to the transitional, transitory and saving provisions in this Order—

(a) section 1 and Schedule 1;

(**1**) 2014 c.2.
(**2**) 1998 c.18.

(b) section 2 and Schedule 2 so far as they are not yet in force;

(c) section 3 so far as it is not yet in force;

(d) section 4 so far as it is not yet in force;

(e) section 6 so far as it is not yet in force;

(f) sections 7 and Schedule 3 so far as they are not yet in force;

(g) section 8;

(h) section 9 and Schedule 4 so far as they are not yet in force;

(i) section 10 so far as it is not yet in force;

(j) sections 11 to 13;

(k) section 14 so far as it is not yet in force;

(l) section 15;

(m) section 16 so far as it is not yet in force;

(n) section 19 and Schedule 6 so far as they are not yet in force;

(o) sections 20 to 23;

(p) section 24 and Schedule 7 so far as they are not yet in force;

(q) sections 25 to 28;

(r) section 29 and Schedule 8;

(s) sections 30 and 31;

(t) section 32 so far as it is not yet in force;

(u) section 33 and Schedule 9;

(v) section 36 and Schedule 11 so far as they are not yet in force;

(w) section 37;

(x) paragraphs 1 to 44, 46 to 117 and 123 of Schedule 12 so far as they are not yet in force and section 45 so far as relating to those paragraphs and that extent;

(y) section 47 and Schedule 13 so far as they are not yet in force.

Provisions of the 2014 Act coming into force on 1st April 2017

4. 1st April 2017 is the day appointed for the coming into force of paragraphs 45 and 118 to 122 of Schedule 12 to the 2014 Act and section 45 so far as relating to those paragraphs.

Saving in relation to the audit of accounts for financial years beginning before 1st April 2015

5. Despite the repeal of the 1998 Act, Part 2 of that Act (accounts and audit of public bodies) and provision made under Part 2 continue to have effect for and in relation to—

(a) accounts and statements of accounts;

(b) the audit of accounts to which section 2 of that Act applies,

for a financial year beginning before 1st April 2015.

Transitory provisions: functions of the Audit Commission

6.—(1) Despite the repeal of the 1998 Act and without prejudice to article 5, in relation to a relevant financial year the provisions listed in paragraph (2) continue to have effect, subject to the modifications in paragraph (3).

(2) The provisions of the 1998 Act referred to in paragraph (1) are—

(a) section 2(1)(b) (required audit of accounts);

(b) section 3 (appointment of auditors);

(c) section 7 (fees for audit);

(d) section 25 (extraordinary audit);

(e) section 28 (certification of claims, returns etc);

(f) section 52 (orders and regulations) so far as it relates to the power of the Secretary of State to make regulations under section 7;

(g) section 53 (interpretation) so far as is necessary for the purposes of the interpretation of the provisions referred to above.

(3) In relation to a financial year falling within the transitional period—

(a) references to "this Act" in sections 2(1)(b), 3(9) and (11) and 7(1) are to be read as references to Parts 2 and 5 of the 2014 Act;

(b) any reference in the provisions listed in paragraph (2) to a body whose accounts are required to be audited in accordance with the 1998 Act is to be read as a reference to a relevant authority within the meaning of the 2014 Act(**3**) and any reference to "a body subject to audit" is to be construed accordingly.

(4) In relation to a relevant financial year any reference to the Audit Commission in the provisions listed in paragraph (2) is to be read as a reference to the person or body by whom functions may be exercised by virtue of article 7.

Transitory provision: exercise of functions

7. Until 31st December 2017 and in relation to a relevant financial year—

(a) the functions of the Audit Commission under the provisions listed in article 6(2) may be exercised by a Minister of the Crown; and

(b) the Minister may delegate the exercise of any such function to another person or body or other persons or bodies.

Transitional and saving provision

8. The Schedule to this Order has effect for the purposes of making transitional, transitory and saving provisions.

Signed by authority of the Secretary of State for Communities and Local Government

Kris Hopkins
Parliamentary Under Secretary of State
Department for Communities and Local Government

23rd March 2015

(**3**) For the meaning of "relevant authority" in the Local Audit and Accountability Act 2014 see section 2(1) and Schedule 2.

SCHEDULE

Further transitional, transitory and saving provisions

General provisions

1.—(1) Nothing in this Schedule affects the generality of articles 5 and 6.

(2) The duty of a relevant authority to appoint a local auditor to audit its accounts for a financial year applies in relation to a financial year beginning on or after 1st April 2017.

(3) The duty of a relevant authority to have an auditor panel applies in relation to the exercise of the functions of the panel so far as relating to a financial year beginning on or after 1st April 2017.

(4) Parts 2 (basic concepts and requirements) and 5 (conduct of audit) of the 2014 Act do not apply to—

(a) accounting records and statements of accounts of a relevant authority, or

(b) the audit of the accounts of a relevant authority,

for a financial year beginning before 1st April 2015.

(5) The coming into force of the amendments made by—

(a) paragraph 3 of Schedule 12 to the 2014 Act (amendment to section 14 of the Transport Act 1968(**4**));

(b) paragraph 17 of that Schedule (amendment to section 22 of the Airports Act 1986(**5**)),

do not affect the requirements of the provisions amended in relation to a financial year beginning before 1st April 2015.

Provisions in relation to the transitional period

2.—(1) The following provisions have effect in relation to financial years falling within the transitional period.

(2) Section 4(1)(b) of the 2014 Act is to be read as a requirement for the accounts of a relevant authority to be audited by an auditor appointed in pursuance of section 3 of the 1998 Act (including section 3 as it has effect by virtue of article 6) and in any provision in or under the 2014 Act "local auditor" is to be construed accordingly.

(3) A reference to a local auditor within the meaning of the Local Audit and Accountability Act 2014(**6**) in a provision listed in sub-paragraph (4) is to be read as including a local auditor within the meaning of section 4(1)(b) of that Act as it has effect by virtue of sub-paragraph (1).

(4) The provisions referred to in sub-paragraph (3) are—

(a) section 123(8)(jzb) of the Social Security Administration Act 1992(**7**);

(b) section 117(8)(gd) of the Social Security Administration (Northern Ireland) Act 1992(**8**);

(c) section 26D of the Public Finance and Accountability (Scotland) Act 2000(**9**);

(d) article 4D(3)(ab) of the Audit and Accountability (Northern Ireland) Order 2003(**10**);

(**4**) 1968 c.73.
(**5**) 1986 c.31.
(**6**) For the meaning of "local auditor" in the Local Audit and Accountability Act 2014 see section 4(1)(b).
(**7**) 1992 c.5; section 123(8) of that Act is amended by paragraph 28 of Schedule 12 to the Local Audit and Accountability Act 2014 ("the 2014 Act").
(**8**) 1992 c.8; section 117(8) of that Act is amended by paragraph 30 of Schedule 12 to the 2014 Act.
(**9**) 2000 ASP 1; section 26D of that Act is amended by paragraph 47 of Schedule 12 to the 2014 Act.
(**10**) S.I. 2003/418 (N.I. 5); article 4D of that Order is amended by paragraph 58 of Schedule 12 to the 2014 Act.

(e) section 64D(3)(ab) of the Public Audit (Wales) Act 2004(**11**).

(5) A reference to a person eligible for appointment as a local auditor in a provision listed in sub-paragraph (6) is to be read as including a person who is a member of one or more of the following bodies—

(a) the Institute of Chartered Accountants in England and Wales;

(b) the Institute of Chartered Accountants of Scotland;

(c) the Association of Chartered Certified Accountants;

(d) the Chartered Institute of Public Finance and Accountancy;

(e) the Institute of Chartered Accountants in Ireland.

(6) The provisions referred to in sub-paragraph (5) are—

(a) paragraph 23(4)(aa) of Schedule 7 to the National Health Service Act 2006(**12**);

(b) section 210A(5) of the Housing and Regeneration Act 2008(**13**).

(7) The reference to a local auditor appointed in accordance with the Local Audit and Accountability Act 2014 in section 23(7) of the Local Government Act 1999(**14**) is to be read as including a reference to an auditor appointed in pursuance of section 3 of the 1998 Act (including section 3 as it has effect by virtue of article 6 of this Order).

(8) The reference to a local auditor appointed under or by virtue of the Local Audit and Accountability Act 2014 in section 210A(1A) of the Housing and Regeneration Act 2008(**15**) is to be read as including a reference to an auditor appointed in pursuance of section 3 of the 1998 Act (including section 3 as it has effect by virtue of article 6 of this Order).

Code of audit practice for financial years beginning before 1st April 2015

3. Despite the repeal of section 4 of the 1998 Act, any code of practice prepared under that section continues in force in relation to the functions of auditors under that Act for a financial year beginning before 1st April 2015.

Public interest reports for financial years beginning before 1st April 2015

4.—(1) The repeal of section 8 of the 1998 Act (immediate and other reports in public interest) does not affect a report made under that section in relation to a financial year beginning before 1st April 2015.

(2) During the transitional period and in relation to the audit of accounts for a financial year beginning before 1st April 2015 a reference to the Commission in a provision listed in sub-paragraph (3) is to be read as a reference to the person or body by whom functions of the Audit Commission may be exercised by virtue of article 7 of this Order.

(3) The provisions referred to in sub-paragraph (2) are—

(a) section 10(2) of the 1998 Act;

(b) section 13A(4)(b) of the 1998 Act(**16**).

(**11**) 2004 c.23; section 64D(3) of that Act is amended by paragraph 63 of Schedule 12 to the 2014 Act.
(**12**) 2006 c.41; paragraph 23(4) of Schedule 7 to that Act is amended by paragraph 73(3) of Schedule 12 to the 2014 Act.
(**13**) 2008 c.17; section 210A(5) of that Act is amended by paragraph 95(6) of Schedule 12 to the 2014 Act.
(**14**) 1999 c.27; section 23(7) of that Act is amended by paragraph 36(3) of Schedule 12 to the 2014 Act.
(**15**) 2008 c.17; section 210A of that Act is amended by paragraph 95 of Schedule 12 to the 2014 Act.
(**16**) 1998 c.18; section 13A of that Act is inserted by section 108 of the Local Government Act 2003 (c.26).