Draft Order laid before Parliament under sections 1252(11) and 1290 of the Companies Act 2006, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2014 No.

LOCAL GOVERNMENT, ENGLAND AND WALES
COMPANIES
AUDITORS

The Local Audit (Delegation of Functions) and Statutory Audit (Delegation of Functions) Order 2014

Made - - - - ***

Coming into force in accordance with article 1

The Secretary of State for Communities and Local Government makes the following Order in exercise of the powers conferred by sections 1252 and 1253 of, and paragraphs 7(3) and 11(2) and (3)(a) of Schedule 13 to, the Companies Act 2006(**1**) ("the Act").

It appears to the Secretary of State that the Financial Reporting Council Limited(**2**) is able and willing to exercise the functions transferred by this Order.

It appears to the Secretary of State that the body has arrangements in place relating to the exercise of the functions transferred by this Order which are such as to be likely to ensure that those functions will be exercised effectively and in accordance with the relevant requirements and provisions specified in this Order.

In accordance with sections 1252(11) and 1290 of the Act, a draft of this instrument has been laid before and approved by a resolution of each House of Parliament.

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Local Audit (Delegation of Functions) and Statutory Audit (Delegation of Functions) Order 2014, and comes into force at the end of the period of 21 days beginning with the day on which it is made.

(**1**) 2006 c.46. Part 42 of the Companies Act 2006 ("the 2006 Act"), and sections 1288 to 1290 and 1292 of that Act, are applied in relation to local audits, with modifications, by Schedule 5 to the Local Audit and Accountability Act 2014 (c.2) ("the 2014 Act"). "Local audit" means an audit under the 2014 Act of the accounts of a relevant authority (see Schedule 5, paragraph 1(2)). "Relevant authority" is defined in section 1262 of the 2006 Act by reference to the definition in section 2(1) of the 2014 Act; see the modifications to section 1262 of the 2006 Act made by paragraph 27(1) and (3) of Schedule 5 to the 2014 Act.

(**2**) A company registered in England and Wales with number 02486368.

(2) In this Order—

"the Act" means the Companies Act 2006;

"the designated body" means the Financial Reporting Council Limited;

"local audit" has the same meaning as in paragraph 1(2) of Schedule 5 to the Local Audit and Accountability Act 2014(**3**).

(3) Any reference in this Order to a provision of the Act is to that provision as it has effect in relation to local audit by virtue of Schedule 5 to the Local Audit and Accountability Act 2014.

Exercise of functions by the designated body

2.—(1) The designated body is designated for the purpose of enabling it to exercise functions of the Secretary of State under Part 42 of the Act as it applies in relation to local audits.

(2) The functions listed in paragraph (3) are not transferred by this Order.

(3) The functions referred to in paragraph (2) are—

(a) the function of making regulations under section 1214(5);

(b) the functions under—

(i) section 1224ZA(**4**);

(ii) section 1261(3);

(iii) section 1263;

(iv) Schedule 10, paragraph 13(10)(a); and

(c) the function of making regulations under section 1219(2).

(4) The functions listed in paragraph (5) remain exercisable concurrently with the Secretary of State.

(5) The functions referred to in paragraph (4) are the functions under—

(a) section 1224;

(b) section 1239(8);

(c) section 1254.

Freedom of information

3. This Order has the effect of making the designated body designated under section 5 of the Freedom of Information Act 2000(**5**) (further power to designate public authorities) to the extent that it is exercising functions transferred or conferred by this Order.

Consultation requirements

4.—(1) Before the designated body makes any regulations in exercise of the functions transferred to it by this Order it must—

(a) publish the proposed regulations in such manner as appears to the body to be best calculated to bring the regulations to the attention of persons who may be affected by them;

(b) publish at the same time a statement that representations in respect of the proposals may be made to the body within a specified period (which must not be less than 4 weeks following the date of publication of the proposed regulations); and

(**3**) 2014 c.2.
(**4**) Section 1224ZA is inserted by paragraph 10 of Schedule 5 to the 2014 Act.
(**5**) 2000 c.36; section 5 was amended by S.I. 2003/1887.