Draft Regulations laid before Parliament under section 43(3) of the Local Audit and Accountability Act 2014, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2014 No.

LOCAL GOVERNMENT, ENGLAND AND WALES

The Local Audit (Auditor Panel Independence) Regulations 2014

Made - - - - ***

Coming into force in accordance with regulation 1

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 46 of, and paragraph 2(9) of Schedule 4 to, the Local Audit and Accountability Act 2014(**1**);

In accordance with section 43(3) and (4) of that Act, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation and commencement

1. These Regulations may be cited as the Local Audit (Auditor Panel Independence) Regulations 2014 and come into force at the end of the period of 21 days beginning with the day on which they are made.

Definition of independence

2.—(1) Paragraph 2 of Schedule 4 to the Local Audit and Accountability Act 2014 (constitution of auditor panels) is amended in accordance with paragraphs (2) to (5).

(2) For sub-paragraphs (2) and (3) substitute—

"(2) A member of a relevant authority's auditor panel, other than a health service body's auditor panel, is "independent" at any given time if the following conditions are met—

(a) the panel member has not been a member or officer of the authority within the period of 5 years ending with that time (the "last 5 years"),

(b) the panel member has not, within the last 5 years, been a member or officer of another relevant authority that is (at the given time) connected with the authority or with which (at the given time) the authority is connected,

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

(c) the panel member has not, within the last 5 years, been an officer or employee of an entity, other than a relevant authority, that is (at the given time) connected with the authority,

(d) the panel member is not a relative or close friend of—

(i) a member or officer of the authority,

(ii) a member or officer of another relevant authority that is connected with the authority or with which the authority is connected, or

(iii) an officer or employee of an entity, other than a relevant authority, that is connected with the authority,

(e) the panel member is not the authority's elected mayor,

(f) neither the panel member, nor any body in which the panel member has a beneficial interest, has entered into a contract with the authority—

(i) under which goods or services are to be provided or works are to be executed, and

(ii) which has not been fully discharged,

(g) the panel member is not a current or prospective auditor of the authority, and

(h) the panel member has not, within the last 5 years, been—

(i) an employee of a person who is (at the given time) a current or prospective auditor of the authority,

(ii) a partner in a firm that is (at the given time) a current or prospective auditor of the authority, or

(iii) a director of a body corporate that is (at the given time) a current or prospective auditor of the authority.".

(3) For sub-paragraphs (4) to (7) substitute—

"(4) Sub-paragraphs (5) to (6D) modify the application of sub-paragraph (2) in relation to—

(a) cases where the relevant authority referred to in the opening words of sub-paragraph (2) (the "relevant authority concerned") is a police and crime commissioner, the Mayor's Office for Policing and Crime, another functional body or the Greater London Authority, and

(b) relevant authorities that are corporations sole (including, but not limited to, corporations sole mentioned in paragraph (a)).

(5) Where the relevant authority concerned is the police and crime commissioner for an area, references to "the authority" include the chief constable for the area.

(6) Where the relevant authority concerned is the Mayor's Office for Policing and Crime, references to "the authority" include the Commissioner of Police of the Metropolis and the Greater London Authority.

(6A) Where the relevant authority concerned is a functional body other than the Mayor's Office for Policing and Crime, references to "the authority" include the Greater London Authority.

(6B) Where the relevant authority concerned is the Greater London Authority, references to "the authority" include a functional body and the Commissioner of Police of the Metropolis.

(6C) Where a relevant authority is a corporation sole, references to "a member" of the relevant authority are to a holder of that office of corporation sole.