

POLICY NOTE

THE COMPANIES ACT 2006 (SCOTTISH PUBLIC SECTOR COMPANIES TO BE AUDITED BY THE AUDITOR GENERAL FOR SCOTLAND) ORDER 2019

SSI 2019/180

Purpose of the Instrument: To enable the accounts of ILF Scotland, a qualifying non-departmental public body, to be audited by the Auditor General for Scotland with effect from 24 May 2019.

The above instrument was made in exercise of the powers conferred by sections 483(1)-(3) and (5) of the Companies Act 2006. The instrument is subject to affirmative resolution procedure.

Policy Objectives

ILF Scotland is a qualifying non-departmental public body (NDPB) established as a company in accordance with the public sector audit requirements set out in the Public Finance and Accountability (Scotland) Act 2000. To date, its accounts have been audited under the commercial sector audit requirements set out in the Companies Act 2006. However, it is now desirable for ILF Scotland to be on the same footing as other statutory NDPBs for auditing and accountability purposes as well as financial purposes.

Under section 1226 of the Companies Act 2006 the Auditor General for Scotland (AGS) is eligible for appointment as a statutory auditor. The purpose of the instrument is to enable the AGS to audit the accounts of ILF Scotland with effect from 24 May 2019.

In order to qualify for specification under section 483 of the Companies Act 2006 as a company subject to audit by the AGS, a company (and every group undertaking) must be non-profit-making, have its registered office in Scotland and:-

- exercise in or as regards Scotland functions of a public nature; and / or
- be entirely or substantially funded by a body, the accounts of which are required by statute to be audited by the AGS.

ILF Scotland qualifies as such a company.

Consultation

Both Audit Scotland and the current auditors of ILF Scotland were consulted during the preparation of the instrument. Responses have confirmed that the AGS is willing to assume the auditing role and have helped assist with best timings for introduction.

Financial Effects

The instrument has no material financial effects on the Scottish Government, local government or on business.

Directorate for Health and Social Care Integration
Scottish Government

March 2019