



Local Government Act 1999

1999 CHAPTER 27

PART I

BEST VALUE

Audit of best value performance plans

7 **Audit**

- (1) A performance plan published by a best value authority for a financial year under section 6 shall be audited by the authority's auditor.
- (2) An audit of a performance plan is an inspection for the purpose of establishing whether the plan was prepared and published in accordance with section 6 and any order or guidance under that section.
- (3) Subsections (1), (2) and (4) to (7) of section 6 of the Audit Commission Act 1998 (auditor's right to documents and information) shall have effect in relation to an auditor's functions under this Part as they have effect in relation to his functions under that Act.
- (4) In relation to an authority's performance plan the auditor shall issue a report—
 - (a) certifying that he has audited the plan,
 - (b) stating whether he believes that it was prepared and published in accordance with section 6 and any order or guidance under that section,
 - (c) if appropriate, recommending how it should be amended so as to accord with section 6 and any order or guidance under that section,
 - (d) if appropriate, recommending procedures to be followed by the authority in relation to the plan,
 - (e) recommending whether the Audit Commission should carry out a best value inspection of the authority under section 10, and
 - (f) recommending whether the Secretary of State should give a direction under section 15.

- (5) An auditor shall send a copy of his report relating to an authority's performance plan—
- (a) to the authority,
 - (b) to the Audit Commission, and
 - (c) if the report recommends that the Secretary of State give a direction under section 15, to the Secretary of State.
- (6) Copies of a report shall be sent in accordance with subsection (5)—
- (a) by 30th June of the financial year to which the relevant performance plan relates, or
 - (b) by such other date as the Secretary of State may specify by order.
- (7) Subject to subsection (8), the reference in subsection (1) to an authority's auditor is, in respect of a financial year, a reference to the auditor or auditors appointed to audit the authority's accounts for the previous financial year.
- (8) If a person who would by virtue of subsection (7) be an authority's auditor in respect of a financial year or one of an authority's auditors in respect of a financial year—
- (a) is no longer eligible for appointment under section 3 of the Audit Commission Act 1998, or
 - (b) is not willing to act,
- the reference in subsection (1) to the authority's auditor is, in respect of that financial year, a reference to an auditor or auditors appointed by the Audit Commission.
- (9) Section 3 of the 1998 Act shall apply to an appointment under subsection (8) as if it were an appointment of a person to audit the authority's accounts under section 2(1) of the 1998 Act.

8 Code of practice and fees

- (1) An auditor carrying out an audit under section 7 shall have regard to any code of practice under this section.
- (2) The Commission shall prepare, and keep under review, a code of practice prescribing the way in which auditors are to carry out their functions under section 7.
- (3) Section 4(3) to (6) of the Audit Commission Act 1998 (code of audit practice) shall have effect in relation to a code of practice under this section.
- (4) The Audit Commission shall prescribe a scale or scales of fees in respect of the audit of performance plans which are required to be audited in accordance with this Part.
- (5) Section 7(3) to (8) of the Audit Commission Act 1998 (fees for audit) (read with section 52(1) and (3) of that Act (orders and regulations)) shall have effect in relation to fees under subsection (4).
- (6) Before preparing or altering a code under subsection (2) or prescribing a scale of fees under subsection (4) the Commission shall consult—
- (a) the Secretary of State, and
 - (b) persons appearing to the Commission to represent best value authorities.
- (7) Before making any regulations under section 7(8) of the Audit Commission Act 1998 as it has effect in relation to fees under subsection (4) the Secretary of State shall consult—

- (a) the Commission, and
- (b) persons appearing to the Secretary of State to represent best value authorities.

9 Response to audit

- (1) A best value authority shall publish any report received in accordance with section 7(5)
 - (a).
- (2) The following subsections apply where a best value authority receives a report under subsection (4) of section 7 which contains a recommendation under any of paragraphs (c) to (f) of that subsection.
- (3) The authority shall prepare a statement of—
 - (a) any action which it proposes to take as a result of the report, and
 - (b) its proposed timetable.
- (4) A statement required by subsection (3) shall be prepared—
 - (a) before the end of the period of 30 working days starting with the day on which the authority receives the report, or
 - (b) if the report specifies a shorter period starting with that day, before the end of that period.
- (5) The authority shall incorporate the statement in its next best value performance plan.
- (6) If the statement relates to a report which recommends that the Secretary of State give a direction under section 15, the authority shall send a copy of the statement to the Secretary of State—
 - (a) before the end of the period of 30 working days starting with the day on which the authority receives the report, or
 - (b) if the report specifies a shorter period starting with that day, before the end of that period.
- (7) For the purposes of this section a working day is a day other than—
 - (a) a Saturday or a Sunday,
 - (b) Christmas Day or Good Friday, or
 - (c) a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in England and Wales.