

Changes to legislation: Local Audit and Accountability Act 2014, SCHEDULE 4 is up to date with all changes known to be in force on or before 02 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 4

Section 9

FURTHER PROVISIONS ABOUT AUDITOR PANELS

Modifications etc. (not altering text)

- C1** Sch. 4 applied (with modifications) (8.5.2017) by [The Greater Manchester Combined Authority \(Transfer of Police and Crime Commissioner Functions to the Mayor\) Order 2017 \(S.I. 2017/470\)](#), art. 1(2), [Sch. 1 para. 37](#)

Options for auditor panels

- 1 (1) The auditor panel of a relevant authority (“R”) must be—
- (a) a panel appointed as an auditor panel by R,
 - (b) a panel appointed as an auditor panel by R and one or more other relevant authorities,
 - (c) a committee of R to which sub-paragraph (2) applies, or
 - (d) a panel to which sub-paragraph (3) applies.
- (2) This sub-paragraph applies to a committee of R (however described) which has not been appointed as an auditor panel if—
- (a) R determines that the committee should be R's auditor panel,
 - (b) the committee agrees to be R's auditor panel, and
 - (c) the committee complies with the other provisions applying to auditor panels made by or under this Schedule.
- (3) This sub-paragraph applies to a panel if—
- (a) the panel is (by virtue of any of paragraphs (a) to (c) of sub-paragraph (1)) the auditor panel of a relevant authority other than R,
 - (b) R determines that the panel should be R's auditor panel,
 - (c) the panel agrees to be R's auditor panel, and
 - (d) the panel complies (as regards R) with the other provisions applying to auditor panels made by or under this Schedule.
- (4) References in sub-paragraphs (1) and (2) to a committee of R include a sub-committee of a committee of R.
- (5) The function of appointing a panel or making a determination under this paragraph is to be exercised in the case of the Greater London Authority by the Mayor of London and the London Assembly acting jointly on behalf of the Authority.
- (6) The function of appointing a panel or making a determination under this paragraph is to be exercised in the case of a parish meeting by the parish meeting itself (and not by its chairman on behalf of the parish meeting).

Changes to legislation: *Local Audit and Accountability Act 2014, SCHEDULE 4 is up to date with all changes known to be in force on or before 02 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Commencement Information

II Sch. 4 para. 1 in force at 1.4.2015 by [S.I. 2015/841](#), [art. 3\(h\)](#)

Constitution of auditor panels

- 2 (1) A relevant authority's auditor panel, other than a health service body's auditor panel—
- (a) must consist of a majority of independent members (or wholly of independent members), and
 - (b) must be chaired by an independent member.
- [^{F1}(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,
 - (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.]

[^{F2}(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

Changes to legislation: Local Audit and Accountability Act 2014, SCHEDULE 4 is up to date with all changes known to be in force on or before 02 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- 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.
- (6D) Sub-paragraph (6C) applies regardless of whether the relevant authority is—
- (a) the relevant authority concerned,
- (b) a relevant authority treated under any of sub-paragraphs (5) to (6B) as included in a reference to the relevant authority concerned, or
- (c) a relevant authority that is connected with an authority falling within paragraph (a) or (b), or with which such an authority is connected.
- (7) In sub-paragraph (2)—
- “elected mayor” has the same meaning as in Part 1A of the Local Government Act 2000;
- “officer”, in relation to an entity other than a relevant authority, means a person elected or appointed as, or to, that entity.]
- (8) For the purposes of [^{F3}sub-paragraph (2)(d)], a person (“R”) is a relative of another person (“P”) if R is—
- (a) P’s partner,
- (b) P’s parent or grandparent,
- (c) P’s son, daughter, stepson, stepdaughter or grandchild,
- (d) P’s brother or sister,
- (e) P’s uncle, aunt, nephew or niece,
- (f) a parent, son, daughter, brother or sister of P’s partner, or
- (g) a partner of any person within paragraphs (b) to (f),
- and for this purpose “partner” means a spouse, civil partner or someone a person lives with as if they were husband and wife or civil partners.
- [^{F4}(8A) For the purposes of sub-paragraph (2)(f) to (h)—
- “body in which the panel member has a beneficial interest” means a body in which the panel member is a partner, or of which the panel member is a director, or in the securities of which the panel member has a beneficial interest;

Changes to legislation: *Local Audit and Accountability Act 2014, SCHEDULE 4 is up to date with all changes known to be in force on or before 02 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

“current or prospective auditor”, in relation to a relevant authority, means—

- (a) the person appointed to act as the authority’s local auditor, or
- (b) a person who has made a bid, which has not been declined or withdrawn, for a contract of appointment as the authority’s local auditor;

“director” includes a member of the management committee or other directing body of a registered society, and a member of a limited liability partnership;

“registered society” means a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.]

- (9) The Secretary of State may by regulations amend this paragraph so as to make provision about the members of a relevant authority's auditor panel who are or are not independent for the purposes of sub-paragraph (1).

Textual Amendments

- F1** Sch. 4 para. 2(2) substituted for Sch. 4 para. 2(2)(3) (12.11.2014) by [The Local Audit \(Auditor Panel Independence\) Regulations 2014 \(S.I. 2014/2845\)](#), reg. 1, **2(2)**
- F2** Sch. 4 para. 2(4)-(7) substituted (12.11.2014) by [The Local Audit \(Auditor Panel Independence\) Regulations 2014 \(S.I. 2014/2845\)](#), reg. 1, **2(3)**
- F3** Words in Sch. 4 para. 2(8) substituted (12.11.2014) by [The Local Audit \(Auditor Panel Independence\) Regulations 2014 \(S.I. 2014/2845\)](#), reg. 1 **2(4)**
- F4** Sch. 4 para. 2(8A) inserted (12.11.2014) by [The Local Audit \(Auditor Panel Independence\) Regulations 2014 \(S.I. 2014/2845\)](#), reg. 1, **2(5)**

Modifications etc. (not altering text)

- C2** Sch. 4 para. 2 modified (20.12.2023) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(2), 33(2), **Sch. 5 para. 37(2)**

Commencement Information

- I2** Sch. 4 para. 2(9) in force at 4.4.2014 for specified purposes by [S.I. 2014/900](#), art. 2(i)
- I3** Sch. 4 para. 2 in force at 1.4.2015 in so far as not already in force by [S.I. 2015/841](#), **art. 3(h)**

Constitution of auditor panels: health service bodies

- 3 The Secretary of State may by regulations make provision about—
- (a) whether any of the members of a health service body's auditor panel must be independent and, if so, the proportion which must be independent;
 - (b) whether the chair of a health service body's auditor panel must be independent;
 - (c) the meaning of “independent” for the purposes of this paragraph.

Changes to legislation: Local Audit and Accountability Act 2014, SCHEDULE 4 is up to date with all changes known to be in force on or before 02 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Commencement Information

- I4** Sch. 4 paras. 3-5 in force at 4.4.2014 for specified purposes by [S.I. 2014/900](#), art. 2(i)
I5 Sch. 4 para. 3 in force at 1.4.2015 in so far as not already in force by [S.I. 2015/841](#), [art. 3\(h\)](#)

Power to make further provision about constitution of auditor panels

- 4 (1) The Secretary of State may by regulations make provision about the constitution of an auditor panel.
- (2) This includes further provision about the matters mentioned in paragraph 2(1) and provision about—
- (a) the number of members of an auditor panel;
 - (b) the appointment of members of an auditor panel (including to fill casual vacancies);
 - (c) the term of office of members of an auditor panel;
 - (d) the removal or resignation of members of an auditor panel, or of its chair;
 - (e) the payment of remuneration or allowances to members of an auditor panel;
 - (f) the proceedings and validity of proceedings of an auditor panel.
- (3) The regulations may provide for any of those matters to be determined for a relevant authority's auditor panel by the authority.

Commencement Information

- I4** Sch. 4 paras. 3-5 in force at 4.4.2014 for specified purposes by [S.I. 2014/900](#), art. 2(i)
I6 Sch. 4 para. 4 in force at 1.4.2015 in so far as not already in force by [S.I. 2015/841](#), [art. 3\(h\)](#)

Application of local authority enactments to auditor panels

- 5 (1) The Secretary of State may by regulations—
- (a) amend or otherwise modify any local authority enactment in its application to auditor panels or members of auditor panels;
 - (b) apply any local authority enactment (with or without modifications) to auditor panels or members of auditor panels if, or to the extent that, it does not otherwise apply.
- (2) In this paragraph—
- “local authority” means a county council, a district council, a London borough council, the Common Council or the Council of the Isles of Scilly;
- “local authority enactment” means an enactment which relates to—
- (a) local authorities or committees or joint committees of local authorities,
or
 - (b) members of such authorities, committees or joint committees.

Commencement Information

- I4** Sch. 4 paras. 3-5 in force at 4.4.2014 for specified purposes by [S.I. 2014/900](#), art. 2(i)
I7 Sch. 4 para. 5 in force at 1.4.2015 in so far as not already in force by [S.I. 2015/841](#), [art. 3\(h\)](#)

Changes to legislation: *Local Audit and Accountability Act 2014, SCHEDULE 4 is up to date with all changes known to be in force on or before 02 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Status of auditor panels

- 6 (1) Where a relevant authority other than a health service body has determined that a committee of that authority should be its auditor panel, the panel when acting as such is not to be treated as a committee of the authority for the purposes of any enactment.
- (2) Sub-paragraph (1) is subject to provision made by regulations under paragraph 5.
- (3) References in this paragraph to a committee of a relevant authority include a sub-committee of such a committee.

Commencement Information

I8 Sch. 4 para. 6 in force at 1.4.2015 by [S.I. 2015/841](#), [art. 3\(h\)](#)

Expenses of auditor panels

- 7 A relevant authority must meet the reasonable expenses of its auditor panel incurred by the panel when acting as such.

Commencement Information

I9 Sch. 4 para. 7 in force at 1.4.2015 by [S.I. 2015/841](#), [art. 3\(h\)](#)

[^{F5}Connected entities]

Textual Amendments

F5 Sch. 4 para. 8 cross-heading substituted (12.11.2014) by [The Local Audit \(Auditor Panel Independence\) Regulations 2014 \(S.I. 2014/2845\)](#), [reg. 1 2\(6\)](#)

- 8 (1) For the purposes of this Act, an entity (“E”) is connected with a relevant authority at any time if E is an entity other than the relevant authority and the relevant authority considers that, in accordance with proper practices in force at that time—
- (a) the financial transactions, reserves, assets and liabilities of E are to be consolidated into the relevant authority's statement of accounts for the financial year in which that time falls,
 - (b) the relevant authority's share of the financial transactions, reserves, assets and liabilities of E is to be consolidated into the relevant authority's statement of accounts for that financial year, or
 - (c) the relevant authority's share of the net assets or net liabilities of E, and of the profit or loss of E, are to be brought into the relevant authority's statement of accounts for that financial year.
- (2) In sub-paragraph (1) “entity” means any entity, whether or not a legal person.
- (3) The Secretary of State may by regulations amend sub-paragraph (1) or (2).
- (4) In sub-paragraph (1) as it applies in relation to a health service body, the reference to the relevant authority's statement of accounts is to be read as a reference to the body's accounts.

Changes to legislation: Local Audit and Accountability Act 2014, SCHEDULE 4 is up to date with all changes known to be in force on or before 02 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

Commencement Information

- I10** Sch. 4 para. 8(3) in force at 4.4.2014 for specified purposes by [S.I. 2014/900](#), [art. 2\(i\)](#)
- I11** Sch. 4 para. 8 in force at 1.4.2015 in so far as not already in force by [S.I. 2015/841](#), [art. 3\(h\)](#)

Changes to legislation:

Local Audit and Accountability Act 2014, SCHEDULE 4 is up to date with all changes known to be in force on or before 02 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to :

- [specified provision\(s\) amendment to earlier commencing S.I. 2015/841 by S.I. 2016/675 art. 2](#)