Status: *Point in time view as at 16/12/2014.*
Changes to legislation: *Local Audit and Accountability Act 2014, SCHEDULE 6 is up to date with all changes known to be in force on or before 30 August 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)*

SCHEDULES

SCHEDULE 6

Section 19

CODES OF AUDIT PRACTICE AND GUIDANCE

Duty to prepare code

1 (1) The Comptroller and Auditor General must prepare one or more codes of audit practice prescribing the way in which local auditors are to carry out their functions under this Act.

(2) Different codes may be prepared for different relevant authorities (but the Comptroller and Auditor General must ensure that each kind of relevant authority is covered by a code).

(3) A code may contain different provision for different relevant authorities.

(4) A code must embody what the Comptroller and Auditor General considers to be the best professional practice with respect to the standards, procedures and techniques to be adopted by local auditors.

(5) Before preparing a code, the Comptroller and Auditor General must consult—

(a) such associations or representatives of relevant authorities as the Comptroller and Auditor General thinks appropriate,

(b) the recognised supervisory bodies,

(c) the persons appearing on the register of auditors kept under regulations under section 1239 of the Companies Act 2006 as it has effect by virtue of Schedule 5,

(d) the Secretary of State,

(e) the Treasury,

(f) each body to whom the Secretary of State has delegated functions under section 1252 of the Companies Act 2006 as it has effect by virtue of Schedule 5, and

(g) such other bodies or persons as the Comptroller and Auditor General thinks appropriate.

Commencement Information

I1 Sch. 6 para. 1 in force at 9.4.2014 for specified purposes by S.I. 2014/940, **art. 2(b)**

Procedure for code

2 (1) After preparing a code of audit practice, the Comptroller and Auditor General must—

(a) publish it in draft, and

(b) send it to a Minister of the Crown, who must lay it before Parliament.

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(2) If, within the 40-day period, either House of Parliament resolves not to approve the code—
  (a) it must not be published by the Comptroller and Auditor General, and
  (b) the Comptroller and Auditor General must prepare another code.

(3) If no such resolution is made within that period, the Comptroller and Auditor General must publish the code.

(4) This paragraph does not apply to a code of audit practice prepared to replace an existing code of audit practice (but see paragraph 5).

Commencement Information
I2 Sch. 6 para. 2 in force at 9.4.2014 for specified purposes by S.I. 2014/940, **art. 2(b)**

Duty to keep code under review

3 The Comptroller and Auditor General must keep each code of audit practice under review.

Commencement Information
I3 Sch. 6 para. 3 in force at 9.4.2014 for specified purposes by S.I. 2014/940, **art. 2(b)**

Alteration of code

4 (1) The Comptroller and Auditor General may prepare alterations to a code of audit practice.

(2) Paragraph 1(5) applies to alterations to a code as it applies to a code.

(3) After preparing alterations to a code, the Comptroller and Auditor General must—
  (a) publish the code as altered in draft, and
  (b) send the code as altered to a Minister of the Crown, who must lay it before Parliament.

(4) If, within the 40-day period, either House of Parliament resolves not to approve the code as altered, it must not be published by the Comptroller and Auditor General.

(5) If no such resolution is made within that period, the Comptroller and Auditor General must publish the code as altered.

(6) A code published under sub-paragraph (3)(a) or (5) must show the alterations that are proposed to be made to it or (as the case may be) have been made to it in such manner as the Comptroller and Auditor General thinks appropriate.

Commencement Information
I4 Sch. 6 para. 4 in force at 9.4.2014 for specified purposes by S.I. 2014/940, **art. 2(b)**

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Replacement of code

5 (1) The Comptroller and Auditor General may prepare a code of audit practice to replace a code published under paragraph 2(3) or sub-paragraph (7).

(2) The Comptroller and Auditor General must—

(a) use reasonable endeavours to ensure that a code is published under sub-paragraph (7) to replace a code published under paragraph 2(3) or that sub-paragraph ("the original code") before the end of 5 years beginning with the date on which the original code was so published, or

(b) if it does not prove possible to comply with paragraph (a), ensure that a code of the kind referred to in that paragraph is published under sub-paragraph (7) as soon as is reasonably practicable after the end of the period referred in that paragraph.

(3) Sub-paragraphs (1) and (2) apply regardless of whether the original code has been published with alterations under paragraph 4 in the meantime.

(4) A replacement code prepared to comply with sub-paragraph (2) need not make different provision from that made by the original code.

(5) After preparing a replacement code, the Comptroller and Auditor General must—

(a) publish it in draft, and

(b) send it to a Minister of the Crown, who must lay it before Parliament.

(6) If, within the 40-day period, either House of Parliament resolves not to approve the replacement code—

(a) the code must not be published by the Comptroller and Auditor General, and

(b) if the period of 5 years beginning with the date on which the original code was published under paragraph 2(3) or sub-paragraph (7) has expired, the Comptroller and Auditor General must prepare another replacement code.

(7) If no such resolution is made within that period, the Comptroller and Auditor General must publish the replacement code.

Commencement Information

I5 Sch. 6 para. 5 in force at 9.4.2014 for specified purposes by S.I. 2014/940, **art. 2(b)**

Publication of code

6 (1) A code of audit practice may be published in such manner as the Comptroller and Auditor General thinks fit.

(2) A code comes into force on the day on which it is published under paragraph 2(3) or 5(7) unless it specifies a different commencement date.

(3) Alterations to a code come into force on the day on which the code as altered is published under paragraph 4(5) unless it specifies a different commencement date for those alterations.

(4) A code may—

(a) specify different commencement dates for different purposes;

(b) include transitional provisions and savings.

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(5) A code may, in particular, provide that all or part of an existing code of audit practice has effect until all or part of the new code comes into force.

Commencement Information

I6 Sch. 6 para. 6 in force at 9.4.2014 for specified purposes by S.I. 2014/940, **art. 2(b)**

Assistance from relevant authority

7 A relevant authority must provide the Comptroller and Auditor General with the information that the Comptroller and Auditor General reasonably requires for the purposes of this Schedule.

Commencement Information

I7 Sch. 6 para. 7 in force at 9.4.2014 for specified purposes by S.I. 2014/940, **art. 2(b)**

Saving for codes of practice under Audit Commission Act 1998

8 (1) Despite the repeal of section 4 of the Audit Commission Act 1998 by this Act, a provision of a code of audit practice under that section continues in force until it is replaced by a provision of a code of audit practice under this Schedule.

(2) A provision of a code under that section is to be read subject to the modifications necessary for it to have effect in relation to the functions of a local auditor under this Act.

(3) A code under that section—

(a) is not to be treated as a code of audit practice for the purposes of this Schedule (other than this paragraph), but,

(b) is otherwise to be treated as a code of audit practice for the purposes of this Act.

Commencement Information

I8 Sch. 6 para. 8 in force at 9.4.2014 for specified purposes by S.I. 2014/940, **art. 2(b)**

Guidance

9 (1) The Comptroller and Auditor General may issue guidance as to the exercise by local auditors of their functions under this Act.

(2) Guidance under this paragraph may, in particular, explain or supplement the provisions of a code of practice under this Schedule.

Commencement Information

I9 Sch. 6 para. 9 in force at 9.4.2014 for specified purposes by S.I. 2014/940, **art. 2(b)**

I10 Sch. 6 para. 9 in force at 16.12.2014 for specified purposes by S.I. 2014/3319, **art. 2(f)**

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Application to auditors of NHS foundation trusts

10 (1) The duty imposed on the Comptroller and Auditor General by paragraph 1 includes a duty to prepare one or more codes of audit practice prescribing the way in which auditors of accounts of NHS foundation trusts are to carry out their functions in relation to such accounts.

(2) This Schedule, apart from paragraph 1(2) and (3), paragraph 8 and this paragraph, applies in relation to a code relating to auditors of accounts of NHS foundation trusts as it applies in relation to a code relating to local auditors, subject to the following sub-paragraphs.

(3) Paragraph 1(4) is to be read as if the reference to "local auditors" were a reference to auditors of accounts of NHS foundation trusts.

(4) Paragraph 1(5) applies as if—

(a) it required the Comptroller and Auditor General to consult Monitor (as well as the other persons mentioned in that sub-paragraph), and

(b) paragraph (a) of that sub-paragraph required the Comptroller and Auditor General to consult such associations or representatives of NHS foundation trusts as the Comptroller and Auditor General thinks appropriate.

(5) Paragraph 7 is to be read as if the reference to "a relevant authority" were a reference to an NHS foundation trust.

(6) Paragraph 9(1) is to be read as if the reference to "the exercise by local auditors of their functions under this Act" were a reference to "the exercise by auditors of accounts of NHS foundation trusts of their functions in relation to such accounts".

Commencement Information

I11 Sch. 6 para. 10 in force at 9.4.2014 for specified purposes by S.I. 2014/940, **art. 2(b)**

Meaning of "40-day period"

11 (1) In this Schedule "the 40-day period", in relation to a code laid before Parliament, means the period of 40 days beginning with—

(a) the day on which the code is laid, or

(b) if it is not laid before each House of Parliament on the same day, the later of the 2 days on which it is laid.

(2) In calculating that period, no account is to be taken of any period during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than 4 days.

Commencement Information

I12 Sch. 6 para. 11 in force at 9.4.2014 for specified purposes by S.I. 2014/940, **art. 2(b)**

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