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STATUTORY INSTRUMENTS

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**2011 No. 817**

**The Accounts and Audit (England) Regulations 2011**

**PART 3**

**Published accounts and audit – larger relevant bodies**

**Statement of accounts**

7.—(1) A larger relevant body must prepare, in accordance with proper practices in relation to accounts, a statement of accounts for each year, which must include such of the following accounting statements as are relevant to the functions of the relevant body—

- (a) housing revenue account;
- (b) collection fund;
- (c) firefighters' pension fund;
- (d) any other statements relating to each and every other fund in relation to which the body is required by any statutory provision to keep a separate account.

(2) The statement required by paragraph (1) must include a note—

- (a) demonstrating whether the Dedicated Schools Grant (made under section 14 (power of Secretary of State to give financial assistance for purposes related to education or children etc) of the Education Act 2002(1)) has been deployed in accordance with regulations made under sections 45A (determination of specified budgets of local authority), 45AA (power to require local authorities to make initial determination of schools budget), 47 (determination of schools' budget share), 48(1) and (2) (local authorities' financial schemes) and 138(7) (orders and regulations) of, and paragraph 1(7)(b) of Schedule 14 to, the School Standards and Framework Act 1998(2);
- (b) except in relation to persons to whom paragraph (c) applies, of the number of employees or senior police officers in the year to which the accounts relate whose remuneration fell in each bracket of a scale in multiples of £5,000 starting with £50,000;
- (c) of the remuneration, set out according to the categories listed in paragraph (3), and the relevant body's contribution to the person's pension, by the relevant body during the relevant year of—
  - (i) senior employees, or

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(1) 2002 c. 32. Section 14 has been amended by section 59 of the Children Act 2004 (c. 31) and paragraph 23 of Schedule 14 to the Education Act 2005 (c. 18).

(2) 1998 c. 31. Section 45A was inserted by section 41 of the Education Act 2002 (c. 32), and was amended by paragraph 3 of Schedule 16 and Part 4 of Schedule 19 to the Education Act 2005, section 202 of the Apprenticeships, Skills, Children and Learning Act 2009 (c. 22), and S.I. 2010/1158. Section 45AA was inserted by paragraph 4 of Schedule 16 to the Education Act 2005, and was amended by S.I. 2010/1158. Section 47 was amended by paragraph 6 of Schedule 16 to the Education Act 2005, and S.I. 2010/1158. Section 48 was amended by paragraph 3 of Schedule 5 and Part 6 of Schedule 18 to the Education and Inspections Act 2006 (c. 40), paragraph 2 of Schedule 3 to the Education Act 2002, paragraph 7 of Schedule 18 to the Education Act 2005, and S.I. 2010/1158. Section 138(7) was amended by paragraph 3 of Schedule 17 to the Education and Inspections Act 2006. Paragraph 1(7) of Schedule 14 was substituted by paragraph 5 of Schedule 5 to the Education and Inspections Act 2006.

(ii) relevant police officers,

in respect of their employment by the relevant body or in their capacity as a police officer, whether on a permanent or temporary basis, to be listed individually in relation to such persons who must nevertheless be identified by way of job title only (except for persons whose salary is £150,000 or more per year, who must also be identified by name).

(3) The categories are:

- (i) the total amount of salary, fees or allowances paid to or receivable by the person in the current and previous year;
- (ii) the total amount of bonuses so paid or receivable in the current and previous year;
- (iii) the total amount of sums paid by way of expenses allowance that are chargeable to United Kingdom income tax, and were paid to or receivable by the person;
- (iv) the total amount of any compensation for loss of employment paid to or receivable by the person, and any other payments made to or receivable by the person in connection with the termination of their employment by the relevant body, or, in the case of a relevant police officer, the total amount of any payment made to a relevant police officer who ceases to hold office before the end of a fixed term appointment;
- (v) the total estimated value of any benefits received by the person otherwise than in cash that do not fall within (i) to (iv) above, are emoluments of the person, and are received by the person in respect of their employment by the relevant body or in their capacity as a police officer; and
- (vi) in relation to relevant police officers, any payments, whether made under the Police Regulations 2003<sup>(3)</sup> or otherwise, which do not fall within (i) to (v) above.

(4) In this regulation—

“contribution to the person’s pension” means an amount to be calculated as follows—

- (a) in relation to contributions to the local government pension scheme established under section 7 of the Superannuation Act 1972<sup>(4)</sup>, the sum of—
  - (i) the common rate of employer’s contribution specified in a rates and adjustments certificate prepared under regulation 36 (actuarial valuations and certificates) of the Local Government Pension Scheme (Administration) Regulations 2008<sup>(5)</sup>, being the amount appropriate for that body calculated in accordance with the certificate and regulation 39(4) (employer’s contributions) of those Regulations, multiplied by the person’s pensionable pay; and
  - (ii) if applicable, the appropriate sum within the meaning of regulation 40<sup>(6)</sup> (employer’s payment following resolution to increase membership or award additional pension) of those Regulations;
- (b) in relation to contributions to the firefighters’ pension scheme established under the Fire Services Acts 1947 and 1959<sup>(7)</sup>, the percentage of the aggregate of the pensionable pay calculated for the purposes of paragraph G2(3) and (4) of Schedule 2 to the Firemen’s Pension Scheme Order 1992<sup>(8)</sup>, multiplied by the person’s pensionable pay;

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(3) S.I. 2003/527. There are amendments not relevant to these Regulations.

(4) 1972 c. 11.

(5) S.I. 2008/239.

(6) Regulation 40 was substituted by S.I. 2009/3150.

(7) 1947 c. 41 and 1959 c. 44. Both these Acts have been repealed by the Fire and Rescue Services Act 2004 (c. 21) which contained savings in respect of pension schemes established under them.

(8) S.I. 1992/129. Paragraphs G2(3) and (4) were inserted by article 2 of, and paragraph 38(b) of Schedule 1 to, the Firefighters’ Pension Scheme (Amendment) (England) Order 2006 (S.I. 2006/1810). Article 4 of the Firefighters’ Pension Scheme (England and Scotland) Order 2004 (S.I. 2004/2306) changed the name of the scheme from ‘Firemen’s Pension Scheme’ to ‘Firefighters’ Pension Scheme’.

- (c) in relation to contributions to the firefighters' pension scheme established under the Fire and Rescue Services Act 2004<sup>(9)</sup>, the percentage of the aggregate of the pensionable pay calculated for the purposes of paragraphs (2) and (3) of Rule 2 of Part 13 of Schedule 1 to the Firefighters' Pension Scheme (England) Order 2006<sup>(10)</sup>, multiplied by the person's pensionable pay;
- (d) in relation to contributions to police pension schemes established under the Police Pensions Regulations 1987<sup>(11)</sup> or the Police Pensions Regulations 2006<sup>(12)</sup>, the percentage of pensionable pay specified in regulation 5(1) (police authority contributions) of the Police Pension Fund Regulations 2007<sup>(13)</sup>, multiplied by the person's pensionable pay;

"employee" includes a member of the relevant body, and a holder of an office under the relevant body, but does not include a person who is an elected councillor, and "employment" is to be construed accordingly;

"relevant police officer" means—

- (e) in relation to a police force maintained under section 2 (maintenance of police forces) of the Police Act 1996<sup>(14)</sup>, the chief constable,
- (f) in relation to the metropolitan police force, the Commissioner of Police of the Metropolis,
- (g) in relation to the City of London police force, the Commissioner of Police for the City of London, and
- (h) any other senior police officer whose salary is £150,000 per year or more;

"remuneration" means all amounts paid to or receivable by a person, and includes sums due by way of expenses allowance (so far as those sums are chargeable to United Kingdom income tax), and the estimated money value of any other benefits received by an employee otherwise than in cash;

"senior employee" means an employee whose salary is £150,000 or more per year, or an employee whose salary is £50,000 or more per year (to be calculated pro rata for an employee employed for fewer than the usual full time hours for the relevant body concerned) who falls within at least one of the following categories—

- (i) a person employed by a relevant body to which section 2 (politically restricted posts) of the 1989 Act applies who—
  - (i) has been designated as head of paid service under section 4(1)(a);
  - (ii) is a statutory chief officer within the meaning of section 2(6)<sup>(15)</sup> of that Act; or
  - (iii) is a non-statutory chief officer within the meaning of section 2(7) of that Act;
- (j) a person who is the head of staff for any relevant body to which section 4 of the 1989 Act does not apply; or
- (k) a person who has responsibility for the management of the relevant body to the extent that the person has power to direct or control the major activities of the body (in particular activities involving the expenditure of money), whether solely or collectively with other persons; and

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<sup>(9)</sup> 2004 c. 21.

<sup>(10)</sup> S.I. 2006/3432.

<sup>(11)</sup> S.I. 1987/257.

<sup>(12)</sup> S.I. 2006/3415.

<sup>(13)</sup> S.I. 2007/1932. Regulation 5(1) was amended by S.I. 2008/1887.

<sup>(14)</sup> 1996 c. 16.

<sup>(15)</sup> Section 2(6) was amended by section 18 of and paragraph 3 of Schedule 2 to the Children Act 2004 (c. 31), paragraph 95 of Schedule 37 to the Education Act 1996 (c. 56), and section 127 of the Greater London Authority Act 1999 (c. 29), and was partially repealed by section 180 of and Schedules 13 and 14 to the Local Government etc (Scotland) Act 1994 (c. 39) and Schedule 2 to the Fire and Rescue Services Act 2004 (c. 21).

“senior police officer” means a member of a police force holding a rank above that of superintendent.

(5) In the case of a local authority which is required by section 74(16) of the 1989 Act to keep a housing revenue account, the statement of accounts required by paragraph (1) must include also an account in respect of a reserve for major repairs to property of the authority to which section 74(1) of the 1989 Act for the time being applies (to be called a major repairs reserve), showing in particular—

- (a) a credit of an amount in respect of any charge for depreciation included in the housing revenue account for that year under item 8 of Part 2 of Schedule 4 to the 1989 Act;
- (b) a debit in respect of any capital expenditure, within the meaning of section 16 (“capital expenditure”) of the Local Government Act 2003(17), which was—
  - (i) incurred in that year,
  - (ii) met by payments out of the major repairs reserve, and
  - (iii) in respect of any land, houses or other property to which section 74(1) of the 1989 Act for the time being applies, other than capital expenditure for the purpose of demolition of any such property;
- (c) a debit in respect of any repayment, made in that year, of the principal of any amount borrowed where the repayment was met by payments out of the major repairs reserve; and
- (d) a debit in respect of the meeting of any liability, in that year, in respect of credit arrangements, other than any liability which, in accordance with proper practices in relation to accounts, must be charged to a revenue account, where the meeting of that liability was met by payments out of the major repairs reserve.

(6) The Common Council of the City of London must in relation to the accounts referred to in paragraph 2 of Schedule 2 (accounts subject to audit) to the 1998 Act prepare for each year, in accordance with proper practices in relation to accounts, a statement of accounts including—

- (a) a summarised statement of capital expenditure in relation to each of the funds mentioned in that paragraph, differentiated in respect of different services and showing the sources of finance of the year’s total capital expenditure incurred in the period;
- (b) a summarised statement of the income and expenditure of each of those funds; and
- (c) a balance sheet in respect of each of those funds,

and in relation to amounts shown in pursuance of sub-paragraphs (b) and (c) must show any corresponding amounts for the immediately preceding period.

### **Signing, approval and publication of statement of accounts**

**8.—**(1) A larger relevant body must ensure that the statement of accounts required by paragraphs (1) or (6) of regulation 7, as the case may be, is prepared in accordance with these Regulations.

(2) Before the approval referred to in paragraph (3) is given, the responsible financial officer of a larger relevant body must, no later than 30th June immediately following the end of a year, sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body’s income and expenditure for that year.

(3) Subject to paragraph (4), a larger relevant body must, no later than 30th September in the year immediately following the end of the year to which the statement relates—

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(16) Section 74 was amended by paragraph 24 of Schedule 18 to the Housing Act 1996 (c. 52).

(17) 2003 c. 26.

- (a) consider either by way of a committee or by the members meeting as a whole the statement of accounts;
  - (b) following that consideration, approve the statement of accounts by a resolution of that committee or meeting;
  - (c) following approval, ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval was given; and
  - (d) publish (which must include publication on the body's website), the statement of accounts together with any certificate, opinion, or report issued, given or made by the auditor under section 9 (general report) of the 1998 Act.
- (4) The responsible financial officer must re-certify the presentation of the statement of accounts before the relevant body approves it.
- (5) A larger relevant body must keep copies of the documents mentioned in paragraph (3)(d) for purchase by any person on payment of a reasonable sum.

### **Procedure for public inspection of accounts**

**9.** The procedure for public inspection of accounts for a larger relevant body, mentioned in regulation 22, is that it must make the documents mentioned in that regulation available for public inspection for 20 working days before the date appointed by the auditor under regulation 21.

### **Notice of public rights**

**10.**—(1) The procedure for a larger relevant body to give notice of public rights, mentioned in regulation 24, is that, not later than 14 days before the commencement of the period during which the accounts and other documents are made available in pursuance of regulation 9, the body must give notice by advertisement and on its website of the matters set out in paragraph (2).

- (2) The matters referred to in paragraph (1) are—
  - (a) the period during which the accounts and other documents referred to in paragraph (1) will be available for inspection in accordance with regulation 9;
  - (b) the place at which, and the hours during which, they will be so available;
  - (c) the name and address of the auditor;
  - (d) the provisions contained in section 15 (inspection of documents and questions at audit)(**18**) and section 16(**19**) (right to make objections at audit) of the 1998 Act; and
  - (e) the date appointed under regulation 21 for the exercise of rights of electors.

### **Notice of conclusion of audit**

**11.** As soon as reasonably possible after conclusion of an audit, a larger relevant body must give notice by advertisement and on its website stating that the audit has been concluded and that the statement of accounts is available for inspection by local government electors and including—

- (a) a statement of the rights conferred on local government electors by section 14 (inspection of statements of accounts and auditors' reports) of the 1998 Act;
- (b) the address at which and the hours during which those rights may be exercised; and
- (c) details of where the statement of accounts can be found on the body's website.

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(18) Section 15 was amended by section 161 of the Local Government and Public Involvement in Health Act 2007 (c. 28).

(19) Section 16 was amended by section 161 of the Local Government and Public Involvement in Health Act 2007, and Schedule 6 to the Local Government Act 2000 (c. 22).

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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