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STATUTORY INSTRUMENTS

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**2015 No. 841 (C. 53)**

**LOCAL GOVERNMENT, ENGLAND AND WALES**

**The Local Audit and Accountability Act 2014 (Commencement  
No. 7, Transitional Provisions and Savings) Order 2015**

*Made - - - - 23rd March 2015*

The Secretary of State for Communities and Local Government makes the following Order in exercise of the powers conferred by section 49(1) and (5) to (8) of the Local Audit and Accountability Act 2014(1).

**Citation**

1. This Order may be cited as the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015.

**Interpretation**

2. In this Order—

“the 1998 Act” means the Audit Commission Act 1998(2);

“the 2014 Act” means the Local Audit and Accountability Act 2014;

“the Audit Commission” means the Audit Commission for Local Authorities and the National Health Service in England;

“relevant financial year” means a financial year—

(a) beginning before 1st April 2015, or

(b) falling within the transitional period;

“transitional period” means the period beginning with 1st April 2015 and ending with 31st March 2017.

**Provisions of the 2014 Act coming into force on 1st April 2015**

3. 1st April 2015 is the day appointed for the coming into force of the following provisions of the 2014 Act, subject to the transitional, transitory and saving provisions in this Order—

(a) section 1 and Schedule 1;

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(1) 2014 c.2.  
(2) 1998 c.18.

- (b) section 2 and Schedule 2 so far as they are not yet in force;
- (c) section 3 so far as it is not yet in force;
- (d) section 4 so far as it is not yet in force;
- (e) section 6 so far as it is not yet in force;
- (f) sections 7 and Schedule 3 so far as they are not yet in force;
- (g) section 8;
- (h) section 9 and Schedule 4 so far as they are not yet in force;
- (i) section 10 so far as it is not yet in force;
- (j) sections 11 to 13;
- (k) section 14 so far as it is not yet in force;
- (l) section 15;
- (m) section 16 so far as it is not yet in force;
- (n) section 19 and Schedule 6 so far as they are not yet in force;
- (o) sections 20 to 23;
- (p) section 24 and Schedule 7 so far as they are not yet in force;
- (q) sections 25 to 28;
- (r) section 29 and Schedule 8;
- (s) sections 30 and 31;
- (t) section 32 so far as it is not yet in force;
- (u) section 33 and Schedule 9;
- (v) section 36 and Schedule 11 so far as they are not yet in force;
- (w) section 37;
- (x) paragraphs 1 to 44, 46 to 117 and 123 of Schedule 12 so far as they are not yet in force and section 45 so far as relating to those paragraphs and that extent;
- (y) section 47 and Schedule 13 so far as they are not yet in force.

**Provisions of the 2014 Act coming into force on 1st April 2017**

4. 1st April 2017 is the day appointed for the coming into force of paragraphs 45 and 118 to 122 of Schedule 12 to the 2014 Act and section 45 so far as relating to those paragraphs.

**Saving in relation to the audit of accounts for financial years beginning before 1st April 2015**

5. Despite the repeal of the 1998 Act, Part 2 of that Act (accounts and audit of public bodies) and provision made under Part 2 continue to have effect for and in relation to—

- (a) accounts and statements of accounts;
- (b) the audit of accounts to which section 2 of that Act applies,

for a financial year beginning before 1st April 2015.

**Transitory provisions: functions of the Audit Commission**

6.—(1) Despite the repeal of the 1998 Act and without prejudice to article 5, in relation to a relevant financial year the provisions listed in paragraph (2) continue to have effect, subject to the modifications in paragraph (3).

- (2) The provisions of the 1998 Act referred to in paragraph (1) are—
- (a) section 2(1)(b) (required audit of accounts);
  - (b) section 3 (appointment of auditors);
  - (c) section 7 (fees for audit);
  - (d) section 25 (extraordinary audit);
  - (e) section 28 (certification of claims, returns etc);
  - (f) section 52 (orders and regulations) so far as it relates to the power of the Secretary of State to make regulations under section 7;
  - (g) section 53 (interpretation) so far as is necessary for the purposes of the interpretation of the provisions referred to above.
- (3) In relation to a financial year falling within the transitional period—
- (a) references to “this Act” in sections 2(1)(b), 3(9) and (11) and 7(1) are to be read as references to Parts 2 and 5 of the 2014 Act;
  - (b) any reference in the provisions listed in paragraph (2) to a body whose accounts are required to be audited in accordance with the 1998 Act is to be read as a reference to a relevant authority within the meaning of the 2014 Act<sup>(3)</sup> and any reference to “a body subject to audit” is to be construed accordingly.
- (4) In relation to a relevant financial year any reference to the Audit Commission in the provisions listed in paragraph (2) is to be read as a reference to the person or body by whom functions may be exercised by virtue of article 7.

**Transitory provision: exercise of functions**

7. Until 31st December 2017 and in relation to a relevant financial year—
- (a) the functions of the Audit Commission under the provisions listed in article 6(2) may be exercised by a Minister of the Crown; and
  - (b) the Minister may delegate the exercise of any such function to another person or body or other persons or bodies.

**Transitional and saving provision**

8. The Schedule to this Order has effect for the purposes of making transitional, transitory and saving provisions.

Signed by authority of the Secretary of State for Communities and Local Government

23rd March 2015

*Kris Hopkins*  
Parliamentary Under Secretary of State  
Department for Communities and Local  
Government

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(3) For the meaning of “relevant authority” in the Local Audit and Accountability Act 2014 see section 2(1) and Schedule 2.

## SCHEDULE

### Further transitional, transitory and saving provisions

#### General provisions

1.—(1) Nothing in this Schedule affects the generality of articles 5 and 6.

(2) The duty of a relevant authority to appoint a local auditor to audit its accounts for a financial year applies in relation to a financial year beginning on or after 1st April 2017.

(3) The duty of a relevant authority to have an auditor panel applies in relation to the exercise of the functions of the panel so far as relating to a financial year beginning on or after 1st April 2017.

(4) Parts 2 (basic concepts and requirements) and 5 (conduct of audit) of the 2014 Act do not apply to—

- (a) accounting records and statements of accounts of a relevant authority, or
- (b) the audit of the accounts of a relevant authority,

for a financial year beginning before 1st April 2015.

(5) The coming into force of the amendments made by—

- (a) paragraph 3 of Schedule 12 to the 2014 Act (amendment to section 14 of the Transport Act 1968<sup>(4)</sup>);
- (b) paragraph 17 of that Schedule (amendment to section 22 of the Airports Act 1986<sup>(5)</sup>),

do not affect the requirements of the provisions amended in relation to a financial year beginning before 1st April 2015.

#### Provisions in relation to the transitional period

2.—(1) The following provisions have effect in relation to financial years falling within the transitional period.

(2) Section 4(1)(b) of the 2014 Act is to be read as a requirement for the accounts of a relevant authority to be audited by an auditor appointed in pursuance of section 3 of the 1998 Act (including section 3 as it has effect by virtue of article 6) and in any provision in or under the 2014 Act “local auditor” is to be construed accordingly.

(3) A reference to a local auditor within the meaning of the Local Audit and Accountability Act 2014<sup>(6)</sup> in a provision listed in sub-paragraph (4) is to be read as including a local auditor within the meaning of section 4(1)(b) of that Act as it has effect by virtue of sub-paragraph (1).

(4) The provisions referred to in sub-paragraph (3) are—

- (a) section 123(8)(jzb) of the Social Security Administration Act 1992<sup>(7)</sup>;
- (b) section 117(8)(gd) of the Social Security Administration (Northern Ireland) Act 1992<sup>(8)</sup>;
- (c) section 26D of the Public Finance and Accountability (Scotland) Act 2000<sup>(9)</sup>;
- (d) article 4D(3)(ab) of the Audit and Accountability (Northern Ireland) Order 2003<sup>(10)</sup>;

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<sup>(4)</sup> 1968 c.73.

<sup>(5)</sup> 1986 c.31.

<sup>(6)</sup> For the meaning of “local auditor” in the Local Audit and Accountability Act 2014 see section 4(1)(b).

<sup>(7)</sup> 1992 c.5; section 123(8) of that Act is amended by paragraph 28 of Schedule 12 to the Local Audit and Accountability Act 2014 (“the 2014 Act”).

<sup>(8)</sup> 1992 c.8; section 117(8) of that Act is amended by paragraph 30 of Schedule 12 to the 2014 Act.

<sup>(9)</sup> 2000 ASP 1; section 26D of that Act is amended by paragraph 47 of Schedule 12 to the 2014 Act.

<sup>(10)</sup> S.I. 2003/418 (N.I. 5); article 4D of that Order is amended by paragraph 58 of Schedule 12 to the 2014 Act.

(e) section 64D(3)(ab) of the Public Audit (Wales) Act 2004(11).

(5) A reference to a person eligible for appointment as a local auditor in a provision listed in sub-paragraph (6) is to be read as including a person who is a member of one or more of the following bodies—

- (a) the Institute of Chartered Accountants in England and Wales;
- (b) the Institute of Chartered Accountants of Scotland;
- (c) the Association of Chartered Certified Accountants;
- (d) the Chartered Institute of Public Finance and Accountancy;
- (e) the Institute of Chartered Accountants in Ireland.

(6) The provisions referred to in sub-paragraph (5) are—

- (a) paragraph 23(4)(aa) of Schedule 7 to the National Health Service Act 2006(12);
- (b) section 210A(5) of the Housing and Regeneration Act 2008(13).

(7) The reference to a local auditor appointed in accordance with the Local Audit and Accountability Act 2014 in section 23(7) of the Local Government Act 1999(14) is to be read as including a reference to an auditor appointed in pursuance of section 3 of the 1998 Act (including section 3 as it has effect by virtue of article 6 of this Order).

(8) The reference to a local auditor appointed under or by virtue of the Local Audit and Accountability Act 2014 in section 210A(1A) of the Housing and Regeneration Act 2008(15) is to be read as including a reference to an auditor appointed in pursuance of section 3 of the 1998 Act (including section 3 as it has effect by virtue of article 6 of this Order).

### **Code of audit practice for financial years beginning before 1st April 2015**

3. Despite the repeal of section 4 of the 1998 Act, any code of practice prepared under that section continues in force in relation to the functions of auditors under that Act for a financial year beginning before 1st April 2015.

### **Public interest reports for financial years beginning before 1st April 2015**

4.—(1) The repeal of section 8 of the 1998 Act (immediate and other reports in public interest) does not affect a report made under that section in relation to a financial year beginning before 1st April 2015.

(2) During the transitional period and in relation to the audit of accounts for a financial year beginning before 1st April 2015 a reference to the Commission in a provision listed in sub-paragraph (3) is to be read as a reference to the person or body by whom functions of the Audit Commission may be exercised by virtue of article 7 of this Order.

(3) The provisions referred to in sub-paragraph (2) are—

- (a) section 10(2) of the 1998 Act;
- (b) section 13A(4)(b) of the 1998 Act(16).

(11) 2004 c.23; section 64D(3) of that Act is amended by paragraph 63 of Schedule 12 to the 2014 Act.

(12) 2006 c.41; paragraph 23(4) of Schedule 7 to that Act is amended by paragraph 73(3) of Schedule 12 to the 2014 Act.

(13) 2008 c.17; section 210A(5) of that Act is amended by paragraph 95(6) of Schedule 12 to the 2014 Act.

(14) 1999 c.27; section 23(7) of that Act is amended by paragraph 36(3) of Schedule 12 to the 2014 Act.

(15) 2008 c.17; section 210A of that Act is amended by paragraph 95 of Schedule 12 to the 2014 Act.

(16) 1998 c.18; section 13A of that Act is inserted by section 108 of the Local Government Act 2003 (c.26).

### **Data matching**

5.—(1) The following provisions have effect despite the repeal of Part 2A of the 1998 Act<sup>(17)</sup> (data matching).

(2) Any data matching exercise being conducted under that Part immediately before 1st April 2015 may be continued under Part 6 (data matching) of the 2014 Act.

(3) Any scale of fees prescribed under section 32F of the 1998 Act (fees for data matching) continues in force as if it were a scale of fees prescribed under Part 6 of the 2014 Act until the earlier of—

(a) 31st March 2017;

(b) the date on which it is replaced by a scale of fees under paragraph 6 of Schedule 9 to the 2014 Act.

(4) A scale of fees prescribed under section 32F of the 1998 Act is to be read subject to the modifications necessary for it to have effect under paragraph 6 of Schedule 9 to the 2014 Act.

(5) Any fee payable to the Audit Commission under section 32F of the 1998 Act may be collected by and paid to the relevant minister.

(6) Any code of practice prepared under section 32G of the 1998 Act (code of data matching practice) continues in force as if it were a code of practice prepared under Part 6 of the 2014 Act until it is replaced by a code of data matching practice prepared under paragraph 7 of Schedule 9 to that Act.

(7) A provision of a code of practice under section 32G of the 1998 Act is to be read subject to the modifications necessary for it to have effect under paragraph 7 of Schedule 9 to the 2014 Act.

(8) Part 6 of the 2014 Act applies to data disclosed to the Audit Commission under Part 2A of the 1998 Act as if it were data provided to a relevant minister under that Part and Schedule.

(9) Nothing in the 2014 Act affects Part 2A of the 1998 Act in its operation in relation to offences committed before 1st April 2015.

### **Disclosure of information**

6.—(1) Information relating to a particular body or person that was obtained by an auditor, or by a person acting on behalf of an auditor, under or by virtue of the 1998 Act is to be treated for the purposes of Schedule 11 (disclosure of information) to the 2014 Act as information obtained by a local auditor under or by virtue of that Act or in the course of an audit under that Act.

(2) Nothing in the 2014 Act affects sections 49 and 49ZA of the 1998 Act in their operation in relation to offences committed before 1st April 2015.

### **Transport Act 1968**

7. The coming into force of the amendment made by paragraph 3 of Schedule 12 to the 2014 Act does not affect the obligations of a Passenger Transport Executive under section 14(3) of the Transport Act 1968<sup>(18)</sup> in relation to a statement of accounts prepared for an accounting period before 1st April 2015.

### **Freedom of Information Act 2000**

8. From 1st April 2015 until the coming into force of paragraph 45 of Schedule 12 to the 2014 Act the reference to the Audit Commission for Local Authorities and the National Health Service

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<sup>(17)</sup> 1998 c.18; Part 2A of that Act is inserted by section 73 of, and Part 1 of Schedule 7 to, the Serious Crime Act 2007 (c.27).

<sup>(18)</sup> 1968 c.73; section 14 of that Act is amended by paragraph 3 of Schedule 12 to the 2014 Act.

in England (“the Audit Commission”) in Part 6 of Schedule 1 to the Freedom of Information Act 2000<sup>(19)</sup> is to read as a reference to the person or body by whom functions of the Audit Commission may be exercised by virtue of article 7 of the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015<sup>(20)</sup>.

### **Local Government Act 2003**

**9.**—(1) Despite the repeal of section 99 of the Local Government Act 2003<sup>(21)</sup> by paragraph 53 of Schedule 12 to the 2014 Act, the Local Authorities (Categorisation) (England) Regulations 2006<sup>(22)</sup> continue in force until 1st April 2017.

(2) Despite the amendment of section 100 of the Local Government Act 2003 by paragraph 54 of Schedule 12 to the 2014 Act, provisions in regulations and orders made in reliance on section 100 continue in force until 1st April 2017.

### **Local Democracy, Economic Development and Construction Act 2009**

**10.** The coming into force of the amendments to Chapter 3 of Part 2 of the Local Democracy, Economic Development and Construction Act 2009<sup>(23)</sup> by paragraphs 97 to 113 of Schedule 12 to the 2014 Act does not affect the carrying out of audit functions in relation to a company, limited liability partnership or registered society which is a qualifying English local authority entity for a financial year beginning before 1st April 2015.

### **Charities Act 2011**

**11.**—(1) In relation to financial years falling within the transitional period sections 149, 151 and 152 of the Charities Act 2011<sup>(24)</sup> have effect subject to the following modifications.

(2) In section 149—

- (a) in subsection (2) for “the Audit Commission” substitute “a person or body exercising functions under section 3 of the Audit Commission Act 1998 (including that section as it has effect by virtue of article 6 of the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015)”;
- (b) in subsection (3) for each reference to “the Audit Commission” substitute “the person or body referred to in subsection (2)”.

(3) In section 151(4)(b) for “the Audit Commission” substitute “a person or body exercising functions under section 3 of the Audit Commission Act 1998 (including that section as it has effect by virtue of article 6 of the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015)”.

(4) In section 152(6) for “the Audit Commission be audited by a person appointed by the Audit Commission” substitute “a person or body exercising functions under section 3 of the Audit Commission Act 1998 (including that section as it has effect by virtue of article 6 of the Local Audit and Accountability Act 2014 (Commencement No. 7, Transitional Provisions and Savings) Order 2015) be audited by a person appointed by that person or body”.

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<sup>(19)</sup> 2000 c.36.

<sup>(20)</sup> S.I. 2015/841.

<sup>(21)</sup> 2003 c.26.

<sup>(22)</sup> S.I. 2006/3096.

<sup>(23)</sup> 2009 c.20; for the meaning of “qualifying English local authority entity” see section 36(4) of that Act, repealed by paragraph 98(3) of Schedule 12 to the 2014 Act.

<sup>(24)</sup> 2011 c.25.

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This is the seventh commencement order of the Local Audit and Accountability Act 2014 (“the 2014 Act”) and commences the majority of the remaining provisions in the 2014 Act.

Article 3 brings into force, on 1st April 2015, the provisions listed in (a) to (y).

Article 4 brings into force paragraphs 45 and 118 to 122 of Schedule 12 to the 2014 Act on 1st April 2017. Section 45 of the 2014 Act is commenced so far as it relates to those paragraphs on that date.

Article 5 saves Part 2 (accounts and audit of public bodies) of the Audit Commission Act 1998 and provision made under it (“the 1998 Act”) in relation to financial years beginning before 1st April 2015.

Article 6 provides that the functions in the 1998 Act listed in paragraph (2) are to continue to have effect in relation to a relevant financial year (as defined in article 2).

Article 7 provides that the functions listed in article 6 may be exercised by a Minister of the Crown who may delegate the exercise to another person or body.

Article 8 gives effect to the Schedule to the Order; the Schedule contains transitional, transitory and saving provisions.

## NOTE AS TO EARLIER COMMENCEMENT ORDERS

*(This note is not part of the Order)*

<i>Provision</i>	<i>Date of Commencement</i>	<i>S.I. No.</i>
Section 2(1) and (2) (partially)	4th April 2014	S.I. 2014/900 (C.39)
	9th April 2014	S.I. 2014/940 (C.42)
	16th December 2014	S.I. 2014/3319 (C.154)
Sections 2(3) to (6) (partially)	16th December 2014	S.I. 2014/3319 (C.154)
Sections 3(5) to (7) (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 4(1)(b) (partially)	16th December 2014	S.I. 2014/3319 (C.154)
Section 5 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 5 (partially)	18th June 2014	S.I. 2014/1596 (C.62)
Section 5 (remainder)	16th December 2014	S.I. 2014/3319 (C.154)

<i>Provision</i>	<i>Date of Commencement</i>	<i>S.I. No.</i>
Section 6 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 6 (partially)	18th June 2014	S.I. 2014/1596 (C.62)
Section 7(8) (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 9(3) (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 10 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 14 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 16 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 17 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 17 (remainder)	16th December 2014	S.I. 2014/3319 (C.154)
Section 18(1) and (2) (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 18 (remainder)	16th December 2014	S.I. 2014/3319 (C.154)
Section 19 (partially)	9th April 2014	S.I. 2014/940 (C.42)
Section 24 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 32 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 32 (partially)	12th February 2015	S.I. 2015/223 (C.15)
Section 34	4th April 2014	S.I. 2014/900 (C.39)
Section 35	4th April 2014	S.I. 2014/900 (C.39)
Section 36 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 38 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 38 (remainder)	18th June 2014	S.I. 2014/1596 C.62)

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<i>Provision</i>	<i>Date of Commencement</i>	<i>S.I. No.</i>
Section 42 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 45 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Section 45 (partially)	12th February 2015	S.I. 2015/223 (C.15)
Section 47 (partially)	16th December 2014	S.I. 2014/3319 (C.154)
Schedule 2 (partially)	4th April 2014	S.I. 2014/900 (C.39)
	9th April 2014	S.I. 2014/940 (C.42)
	16th December 2014	S.I. 2014/3319 (C.154)
Schedule 3, paragraph 4 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Schedule 4, paragraphs 2(9), 3 to 5 and 8(3) (partially)	4th April 2014	S.I. 2014/900 (C.39)
Schedule 5 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Schedule 5 (remainder)	16th December 2014	S.I. 2014/3319 (S.154)
Schedule 6 (partially)	9th April 2014	S.I. 2014/940 (C.42)
Schedule 6, paragraph 6 (partially)	16th December 2014	S.I. 2014/3319 (C.154)
Schedule 7, paragraph 5 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Schedule 10	4th April 2014	S.I. 2014/900 (C.39)
Schedule 11 (partially)	4th April 2014	S.I. 2014/900 (C.39)
Schedule 12, paragraphs 2(1), 31(1), 44(1), 46(1), 69(1) and 88(1) (partially)	4th April 2014	S.I. 2014/900 (C.39)
Schedule 12, paragraphs 2(5), 31(5), 44(4), 46(5), 69(3) and (4), and 88(3)	4th April 2014	S.I. 2014/900 (C.39)
Schedule 12, paragraphs 49, 50(1), 50(3), 51 and 52 (partially)	10th February 2015	S.I. 2015/179 (C.11)
Schedule 12, paragraphs 37, 43(1) and 43(4) (partially)	12th February 2015	S.I. 2015/223 (C.15)

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<i>Provision</i>	<i>Date of Commencement</i>	<i>S.I. No.</i>
Schedule 13, paragraphs 1 to 5 and 11	16th December 2014	S.I 2014/3319 (C.154)