

These notes refer to the Budget Responsibility and National Audit Act 2011 (c.4) which received Royal Assent on 22 March 2011

BUDGET RESPONSIBILITY AND NATIONAL AUDIT ACT 2011

EXPLANATORY NOTES

COMMENTARY ON SECTIONS AND SCHEDULES

Part 2: National Audit

Comptroller and Auditor General

Section 19: Auditing of companies

75. This section amends section 25 of the Government Resources and Accounts Act 2000 (“GRAA 2000”). The Treasury can, by an order under subsection (6) of that section, provide for bodies that exercise functions of a public nature or which are wholly or substantially funded from public money to be audited by the C&AG. New provisions in section 482 of the Companies Act 2006 allow companies that have been made subject to public audit under section 25 of the GRAA 2000 to be exempt from the statutory audit requirements that otherwise apply to companies under section 475 of the Companies Act 2006.
76. These amendments provide for orders under section 25 of the GRAA 2000 to be subject to annulment by a resolution of either House of Parliament provided such an order only covers companies. This would provide a simpler procedure for enabling the C&AG to audit those companies which exercise functions of a public nature or receive substantial public funding.