SCHEDULES

SCHEDULE 4

FURTHER PROVISIONS ABOUT AUDITOR PANELS

Meaning of "connected entity"

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.