
STATUTORY INSTRUMENTS

2003 No. 533

The Accounts and Audit Regulations 2003

Statement of accounts

7.—(1) A body to which paragraphs (3) and (4) apply shall prepare in accordance with proper practices a statement of accounts for each year, which shall include the following—

- (a) an explanatory foreword;
- (b) a statement of accounting policies;
- (c) a statement of responsibilities for the statement of accounts;
- (d) such of the following accounting statements as are relevant to the functions of the relevant body—
 - (i) consolidated revenue account;
 - (ii) housing revenue account;
 - (iii) collection fund;
 - (iv) consolidated balance sheet;
 - (v) statement of total movements in reserves;
 - (vi) cash flow statement;
 - (vii) group accounts;
 - (viii) 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;
- (e) notes to the accounts.

(2) The statement required by paragraph (1) above shall be accompanied by a note of the number of employees in the year to which the accounts relate whose remuneration fell in each bracket of a scale in multiples of £10,000 starting with £50,000; and, for such purposes, “remuneration” means all amounts paid to or receivable by an employee, 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.

(3) This paragraph applies to the following bodies—

- (a) a London borough council, a county council or a district council in England;
- (b) a joint authority⁽¹⁾;
- (c) the Greater London Authority;
- (d) a functional body⁽²⁾;
- (e) the London Pensions Fund Authority⁽³⁾;
- (f) a committee of an authority mentioned in sub-paragraph (a), including a joint committee of two or more such authorities;

(1) Under article 9(2) of the Waste Regulation and Disposal (Authorities) Order (S.I.1985/1884), a reference to a joint authority subject to audit includes a reference to an authority established by that Order.

(2) See section 424(1) of the Greater London Authority Act 1999 for the definition of “functional body”.

(3) See the London Government Reorganisation (Pensions etc.) Order 1989 (S.I. 1989/1815).

- (g) the Council of the Isles of Scilly;
- (h) the Broads Authority(4);
- (i) a National Park authority(5);
- (j) a police authority(6);
- (k) any fire authority constituted by a combination scheme(7); and
- (l) the Greater London Magistrates' Courts Authority(8).

(4) Where in relation to a parish council or a parish meeting, the gross income or expenditure (whichever is the higher) for the year is, and for each of the two immediately preceding years was, £500,000 or more, the requirements of paragraphs (1) and (2) above shall apply to that council or the chairman of the meeting, as the case may be, in respect of that period.

(5) In the case of a local authority which is required by section 74 of the 1989 Act(9) to keep a Housing Revenue Account, the statement of accounts required by paragraph (1) shall 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 both—

- (a) a debit in respect of expenditure which is—
 - (i) excluded from the obligation in section 41(1) of the 1989 Act because of regulation 12A of the Local Authorities (Capital Finance) Regulations 1997(10), and
 - (ii) not carried to the debit of the Housing Revenue Account of the authority under item 2(b) of Part II of Schedule 4 to the 1989 Act(11); and
- (b) a credit of an amount in respect of any charge for depreciation included in the Housing Revenue Account under item 8 of Part II of Schedule 4 to the 1989 Act.

(6) The Common Council of the City of London shall in relation to the accounts referred to in paragraph 2 of Schedule 2 to the 1998 Act prepare for each year, in accordance with proper practices, 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 defrayed in the period;
- (b) summarised statements of the income and expenditure of each of those funds; and
- (c) balance sheets in respect of each of those funds,

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

(7) This Regulation shall apply to accounts for the year ending with 31st March 2003, as well as subsequent years.

(4) Established by the Norfolk and Suffolk Broads Act 1988 (c. 4).

(5) Established under the Environment Act 1995.

(6) Established under section 3 of the Police Act 1996 c. 16.

(7) A combination scheme is made in accordance with the Fire Services Act 1947 (c. 42).

(8) The Greater London Magistrates' Courts Authority was established by section 30A of the Justices of the Peace Act 1997 (inserted by section 83(1) of the Access to Justice Act 1999 (c. 22)). The Authority was made a body subject to audit under the 1998 Act by the Greater London Magistrates' Courts Authority (Accounts and Audit) Regulations 2001 (S.I. 2001/734).

(9) Section 74 is amended by section 222 of and Schedule 18 to the Housing Act 1996 (c. 52).

(10) S.I. 1997/319, as amended by S.I. 2000/3237.

(11) Item 2 is amended by section 127 of the Leasehold Reform, Housing and Urban Development Act 1993 (c. 28).