

SCHEDULE

Modifications to the Act and other Acts

PART 3

Modifications to Part 5 (conduct of local audit)

General duties of auditors

- 11.** Section 20 applies in relation to a smaller authority other than an exempt authority as if—
- (a) in subsection (1)—
 - (i) for “relevant authority other than a health service body” there were substituted “smaller authority other than an exempt authority”; and
 - (ii) in paragraph (b) the words from “that the statement” to the end were omitted;
 - (b) in subsection (2) for “a relevant authority other than a health service body” there were substituted “a smaller authority other than an exempt authority”;
 - (c) in subsections (3) and (5) for “a relevant authority” there were substituted “a smaller authority other than an exempt authority”;
 - (d) after subsection (6) there were inserted—
 - “(7) A local auditor must comply with any directions given by the Secretary of State as to arrangements to monitor the standard of the work of auditors in the performance of audits under this section (including arrangements to inspect that work).
 - (8) The arrangements mentioned in subsection (7) may include arrangements made by any other person the Secretary of State considers appropriate.”.
- 12.** Section 20 applies in relation to an exempt authority as if—
- (a) before subsection (1) there were inserted—
 - “(A1) A local auditor must not carry out an audit of the accounts of an exempt authority unless a local government elector—
 - (a) requests an opportunity to question an auditor about the authority’s accounting records under section 26(2); or
 - (b) makes an objection under section 27(1).
 - (A2) Subject to paragraph (1), the audit of the accounts of an exempt authority is limited to responding appropriately to any—
 - (a) question raised under section 26(2); or
 - (b) objection made under section 27(1).”;
 - (b) in subsection (1)—
 - (i) for the words “auditing the accounts” to “auditor must” there were substituted “exercising functions under subsection (A2), if a matter comes to the attention of the auditor which the auditor thinks merits further investigation, and it would be proportionate to do so, the local auditor may”;
 - (ii) for “be satisfied” there were substituted “consider whether”;
 - (iii) the word “that” at the beginning of paragraphs (a) to (c) were omitted;
 - (iv) in paragraph (b) the words from “that the statement” to the end were omitted;

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- (c) subsections (2) to (4) were omitted;
- (d) in subsection (5) for “a relevant authority” there were substituted “an exempt authority”;
- (e) after subsection (6) there were inserted—

“(7) A local auditor must comply with any directions given by the Secretary of State as to arrangements to monitor the standard of the work of auditors in the performance of audits under this section (including arrangements to inspect that work).

(8) The arrangements mentioned in subsection (7) may include arrangements made by any other person the Secretary of State considers appropriate.”.

Public inspection and action by auditor

13. Section 25(1) applies in relation to an exempt authority as if paragraphs (b) and (c) were omitted.

14. Section 26 applies in relation to an opted in authority which is an exempt authority as if for subsection (2) there were substituted—

“(2) At the request of a local government elector for any area to which the accounts relate, such request being made to the specified person responsible for appointing the local auditor to the authority concerned, the specified person must arrange for the elector, or any representative of the elector, an opportunity to question the auditor about the accounting records.”.

15. Section 27(1) applies in relation to an opted in authority which is an exempt authority as if before “local auditor” there were inserted “specified person responsible for appointing the”.