
EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 3 of the Local Audit and Accountability Act 2014 (“the Act”) requires a relevant authority (as defined in Schedule 2 to the Act), other than a health service body, to keep adequate accounting records and to prepare a statement of accounts. Section 25 requires a relevant authority to make various documents available for inspection to local electors. Sections 26 and 27 grant various rights of inspection and objection and to question the local auditor to local electors and other interested persons.

These Regulations set out the detailed requirements on a relevant authority in relation to the duties and rights set out above. In particular, there are detailed rules for the preparation, approval and publication of the statement of accounts.

These Regulations revoke the Accounts and Audit Regulations 2011 ([S.I. 2011/817](#)), although those regulations continue to have effect in relation to financial years ending on or before 31st March 2015.

Part 1 defines the relevant terms. In particular, it defines the distinction between a Category 1 and a Category 2 authority for the purpose of setting out the different procedures for the preparation, signing, approval and publication of the statement of accounts in respect of each.

Part 2 sets out the requirements on all relevant authorities in relation to internal control, including requirements in respect of accounting records, internal audit and review of the system of internal control.

Part 3 and Schedule 1 set out the specific requirements for a Category 1 authority in relation to the preparation, approval and publication of the statement of accounts required by section 3(3) of the Act. Part 4 sets out the equivalent requirements in relation to Category 2 authorities.

Part 5 sets out the requirements on a relevant authority in relation to the exercise of public rights of inspection, objection and the questioning of the local auditor under sections 26 and 27 of the Act. It also prescribes the period during which the rights conferred by sections 26 and 27 of the Act may be exercised. In addition, it sets out the required content of a notice of objection given in pursuance of section 27 of the Act.

Part 6 contains miscellaneous provisions including provisions concerning the Greater London Authority, joint boards, combined authorities and National Park authorities as well as in relation to the publication of an annual audit letter. It contains transitory provisions which allow Category 1 authorities additional time to publish the statement of accounts and commence the period for the exercise of public rights in the financial years commencing 1st April 2015 and 1st April 2016. It contains a provision revoking the Accounts and Audit Regulations 2011 along with various legislation amending those regulations. Finally it contains a saving provision.

Schedule 1 contains a list of the required matters to be included in the statement of accounts for a Category 1 authority in relation to employee and police officer remuneration.

Schedule 2 sets out a list of instruments revoked or partially revoked by these Regulations and the extent of those revocations.

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.