
STATUTORY INSTRUMENTS

2015 No. 234

The Accounts and Audit Regulations 2015

PART 3

Published accounts and audit – Category 1 authorities

Statement of accounts for Category 1 authorities

7.—(1) A statement of accounts prepared by a Category 1 authority under section 3(3) of the Act must be prepared in accordance with—

- (a) these Regulations; and
- (b) proper practices in relation to accounts.

(2) The statement referred to in paragraph (1) must include such of the following accounting statements as are relevant to that authority's functions—

- (a) housing revenue account;
- (b) collection fund;
- (c) firefighters' pension fund;
- (d) any other statements relating to each and every other fund in relation to which the authority is required by any statutory provision to keep a separate account.

(3) The statement referred to in paragraph (1) must include a note setting out the matters referred to in Schedule 1 (employee and police officer remuneration).

(4) The statement referred to in paragraph (1) must include a note demonstrating whether the Dedicated Schools Grant (made under section 14 (power of Secretary of State to give financial assistance for purposes related to education or children etc) of the Education Act 2002 ^{M1}) has been deployed in accordance with regulations made under the following provisions of the School Standards and Framework Act 1998 ^{M2}—

- (a) section 45A (determination of specified budgets of local authority);
- (b) section 45AA (power to require local authorities to make initial determination of schools budget);
- (c) section 47 (determination of school's budget share);
- (d) section 48(1) and (2) (local authorities' financial schemes);
- (e) section 138(7) (orders and regulations); and
- (f) paragraph 1(7)(b) of Schedule 14 (revision of local authority schemes).

(5) In the case of a relevant authority which is required by section 74 ^{M3} of the 1989 Act to keep a housing revenue account, the statement of accounts referred to in paragraph (1) must also include 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—

- (a) a credit of an amount in respect of any charge for depreciation included in the housing revenue account for that financial year under item 8 of Part 2 of Schedule 4 to the 1989 Act;

- (b) a debit in respect of any capital expenditure, within the meaning of section 16 (capital expenditure) of the Local Government Act 2003^{M4}, which was—
- (i) incurred in that financial year,
 - (ii) met by payments out of the major repairs reserve, and
 - (iii) in respect of any land, houses or other property to which section 74(1) of the 1989 Act for the time being applies, other than capital expenditure for the purpose of demolition of any such property;
- (c) a debit in respect of any repayment, made in that financial year, of the principal of any amount borrowed where the repayment was met by payments out of the major repairs reserve; and
- (d) a debit in respect of the meeting of any liability, in that financial year, in respect of credit arrangements, other than any liability which, in accordance with proper practices in relation to accounts, must be charged to a revenue account, where the meeting of that liability was met by payments out of the major repairs reserve.

Modifications etc. (not altering text)

- C1** Reg. 7 modified (26.11.2018) by [The Local Government \(Boundary Changes\) Regulations 2018 \(S.I. 2018/1128\)](#), regs. 1(1), **21(2)(a)** (with reg. 1(2)(3))
- C2** Reg. 7 modified (26.11.2018) by [The Local Government \(Boundary Changes\) Regulations 2018 \(S.I. 2018/1128\)](#), regs. 1(1), **22(2)** (with reg. 1(2)(3))

Marginal Citations

- M1** [2002 c. 32](#). Section 14 has been amended by section 59 of the [Children Act 2004 \(c. 31\)](#) and paragraph 23 of Schedule 14 to the [Education Act 2005 \(c. 18\)](#).
- M2** [1998 c. 31](#). Section 45A was inserted by section 41 of the [Education Act 2002 \(c. 32\)](#), and was amended by paragraph 3 of Schedule 16 and Part 4 of Schedule 19 to the Education Act 2005, section 202 of the [Apprenticeships, Skills, Children and Learning Act 2009 \(c. 22\)](#), and [S.I. 2010/1158](#). Section 45AA was inserted by paragraph 4 of Schedule 16 to the Education Act 2005, and was amended by [S.I. 2010/1158](#). Section 47 was amended by paragraph 6 of Schedule 16 to the Education Act 2005, and [S.I. 2010/1158](#). Section 48 was amended by paragraph 3 of Schedule 5 and Part 6 of Schedule 18 to the [Education and Inspections Act 2006 \(c. 40\)](#), **paragraph 2** of Schedule 3 to the Education Act 2002, paragraph 7 of Schedule 18 to the Education Act 2005, and [S.I. 2010/1158](#). Section 138(7) was amended by paragraph 3 of Schedule 17 to the Education and Inspections Act 2006. Paragraph 1(7) of Schedule 14 was substituted by paragraph 5 of Schedule 5 to the Education and Inspections Act 2006.
- M3** Section 74 was amended by paragraph 24 of Schedule 18 to the [Housing Act 1996 \(c. 52\)](#).
- M4** [2003 c. 26](#).

Narrative statements

8.—(1) A Category 1 authority must prepare a narrative statement in accordance with paragraph (2) in respect of each financial year.

(2) A narrative statement prepared under paragraph (1) must include comment by the authority on its financial performance and economy, efficiency and effectiveness in its use of resources over the financial year.

Modifications etc. (not altering text)

- C3 Reg. 8 modified (26.11.2018) by [The Local Government \(Boundary Changes\) Regulations 2018 \(S.I. 2018/1128\)](#), regs. 1(1), **21(2)(b)** (with reg. 1(2)(3))

Signing and approval of statement of accounts for Category 1 authorities

9.—(1) The responsible financial officer for a Category 1 authority must, on behalf of that authority, in the following order—

- (a) sign and date the statement of accounts, and confirm that they are satisfied that it presents a true and fair view of—
 - (i) the financial position of the authority at the end of the financial year to which it relates; and
 - (ii) that authority's income and expenditure for that financial year;
- (b) commence the period for the exercise of public rights in accordance with regulations 14 and 15; and
- (c) notify the local auditor of the date on which that period was so commenced.

(2) Subject to paragraph (3), a Category 1 authority must, following the conclusion of the period for the exercise of public rights in regulation 14, in the following order—

- (a) consider, either by way of a committee or by the members meeting as a whole, the statement of accounts;
- (b) approve the statement of accounts by a resolution of that committee or meeting;
- (c) ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval is given.

(3) The responsible financial officer for a Category 1 authority must re-confirm on behalf of that authority that they are satisfied that the statement of accounts presents a true and fair view of—

- (a) the financial position of the authority at the end of the financial year to which it relates; and
- (b) that authority's income and expenditure for that financial year,

before that authority approves it.

Modifications etc. (not altering text)

- C4 Reg. 9 modified (26.11.2018) by [The Local Government \(Boundary Changes\) Regulations 2018 \(S.I. 2018/1128\)](#), regs. 1(1), **21(2)(c)** (with reg. 1(2)(3))

Publication of statement of accounts, annual governance statement and narrative statement for Category 1 authorities

10.—(1) ^{F1}Subject to^{F2} paragraphs (4) to (4C)^{F3},] a Category 1 authority must, after approving the statement of accounts in accordance with regulation 9(2) but not later than 31st July of the financial year immediately following the end of the financial year to which the statement relates, publish (which must include publication on the authority's website)—

- (a) the statement of accounts together with any certificate or opinion, entered by the local auditor in accordance with section 20(2) of the Act;
- (b) the annual governance statement approved in accordance with regulation 6(2); and
- (c) the narrative statement prepared in accordance with regulation 8.

(2) ^{F4}Subject to^{F5} paragraphs (5) to (6B)^{F6},] where an audit of accounts has not been concluded before the date specified in paragraph (1) an authority must—

- (a) publish (which must include publication on the authority's website) as soon as reasonably practicable on or after that date a notice stating that it has not been able to publish the statement of accounts and its reasons for this; and
 - (b) comply with paragraph (1) as if for “but not later than 31st July of the financial year immediately following the end of the financial year to which the statement relates” there were substituted “as soon as reasonably practicable after the receipt of any report from the auditor which contains the auditor's final findings from the audit which is issued before the conclusion of the audit”.
- (3) Where documents are published under paragraph (1) an authority must—
- (a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and
 - (b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

^{F7}(4) Paragraph (1) applies in relation to the publication of documents relating to the financial year beginning in 2019 as if for “31st July” there were substituted “30th November”.]

^{F8}(4A) Paragraph (1) applies in relation to the publication of documents relating to ^{F9}the financial year beginning in 2020] as if for “31st July” there were substituted “30th September”.]

^{F10}(4B) Paragraph (1) applies in relation to the publication of documents relating to the financial year beginning in 2021 as if for “31st July” there were substituted “30th November”.

(4C) Paragraph (1) applies in relation to the publication of documents relating to the financial years beginning in 2022, 2023, 2024, 2025, 2026 and 2027 as if for “31st July” there were substituted “30th September”.]

^{F11}(5) Paragraph (2)(b) applies in relation to the audit of accounts relating to the financial year beginning in 2019 as if for ““but not later than 31st July” there were substituted ““but not later than 30th November”.”.]

^{F12}(6) Paragraph (2)(b) applies in relation to the audit of accounts relating to ^{F13}the financial year beginning in 2020] as if for “but not later than 31st July” there were substituted “but not later than 30th September”.]

^{F14}(6A) Paragraph (2)(b) applies in relation to the audit of accounts relating to the financial year beginning in 2021 as if for “but not later than 31st July” there were substituted “but not later than 30th November”.

(6B) Paragraph (2)(b) applies in relation to audit of accounts relating to the financial years beginning in 2022, 2023, 2024, 2025, 2026 and 2027 as if for “but not later than 31st July” there were substituted “but not later than 30th September”.]

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| F1 | Words in reg. 10(1) inserted (30.4.2020) by The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (S.I. 2020/404) , regs. 1, 2(2)(a) |
| F2 | Words in reg. 10(1) substituted (22.7.2022) by The Accounts and Audit (Amendment) Regulations 2022 (S.I. 2022/708) , regs. 1(1), 2(2)(a) |
| F3 | Words in reg. 10(1) substituted (31.3.2021) by The Accounts and Audit (Amendment) Regulations 2021 (S.I. 2021/263) , regs. 1, 2(2)(a) |
| F4 | Words in reg. 10(2) inserted (30.4.2020) by The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (S.I. 2020/404) , regs. 1, 2(2)(c) |

- F5** Words in reg. 10(2) substituted (22.7.2022) by The Accounts and Audit (Amendment) Regulations 2022 (S.I. 2022/708), regs. 1(1), **2(2)(b)**
- F6** Words in reg. 10(2) substituted (31.3.2021) by The Accounts and Audit (Amendment) Regulations 2021 (S.I. 2021/263), regs. 1, **2(2)(b)**
- F7** Reg. 10(4) inserted (30.4.2020) by The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (S.I. 2020/404), regs. 1, **2(2)(b)**
- F8** Reg. 10(4A) inserted (31.3.2021) by The Accounts and Audit (Amendment) Regulations 2021 (S.I. 2021/263), regs. 1, **2(2)(c)**
- F9** Words in reg. 10(4A) substituted (22.7.2022) by The Accounts and Audit (Amendment) Regulations 2022 (S.I. 2022/708), regs. 1(1), **2(2)(c)**
- F10** Reg. 10(4B)(4C) inserted (22.7.2022) by The Accounts and Audit (Amendment) Regulations 2022 (S.I. 2022/708), regs. 1(1), **2(2)(d)**
- F11** Reg. 10(5) inserted (30.4.2020) by The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (S.I. 2020/404), regs. 1, **2(2)(d)**
- F12** Reg. 10(6) inserted (31.3.2021) by The Accounts and Audit (Amendment) Regulations 2021 (S.I. 2021/263), regs. 1, **2(2)(d)**
- F13** Words in reg. 10(6) substituted (22.7.2022) by The Accounts and Audit (Amendment) Regulations 2022 (S.I. 2022/708), regs. 1(1), **2(2)(e)**
- F14** Reg. 10(6A)(6B) inserted (22.7.2022) by The Accounts and Audit (Amendment) Regulations 2022 (S.I. 2022/708), regs. 1(1), **2(2)(f)**

Modifications etc. (not altering text)

- C5** Reg. 10(1) modified (26.11.2018) by The Local Government (Boundary Changes) Regulations 2018 (S.I. 2018/1128), regs. 1(1), **21(2)(d)** (with reg. 1(2)(3))

Changes to legislation:

There are currently no known outstanding effects for the The Accounts and Audit Regulations 2015, PART 3.