

**Changes to legislation:** Local Audit and Accountability Act 2014, Paragraph 2 is up to date with all changes known to be in force on or before 26 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

## SCHEDULES

### SCHEDULE 4

#### FURTHER PROVISIONS ABOUT AUDITOR PANELS

##### Modifications etc. (not altering text)

- C1** Sch. 4 applied (with modifications) (8.5.2017) by [The Greater Manchester Combined Authority \(Transfer of Police and Crime Commissioner Functions to the Mayor\) Order 2017 \(S.I. 2017/470\)](#), art. 1(2), [Sch. 1 para. 37](#)

##### *Constitution of auditor panels*

- 2 (1) A relevant authority's auditor panel, other than a health service body's auditor panel—
- (a) must consist of a majority of independent members (or wholly of independent members), and
  - (b) must be chaired by an independent member.
- [<sup>F1</sup>(2) A member of a relevant authority's auditor panel, other than a health service body's auditor panel, is "independent" at any given time if the following conditions are met—
- (a) the panel member has not been a member or officer of the authority within the period of 5 years ending with that time (the "last 5 years"),
  - (b) the panel member has not, within the last 5 years, been a member or officer of another relevant authority that is (at the given time) connected with the authority or with which (at the given time) the authority is connected,
  - (c) the panel member has not, within the last 5 years, been an officer or employee of an entity, other than a relevant authority, that is (at the given time) connected with the authority,
  - (d) the panel member is not a relative or close friend of—
    - (i) a member or officer of the authority,
    - (ii) a member or officer of another relevant authority that is connected with the authority or with which the authority is connected, or
    - (iii) an officer or employee of an entity, other than a relevant authority, that is connected with the authority,
  - (e) the panel member is not the authority's elected mayor,
  - (f) neither the panel member, nor any body in which the panel member has a beneficial interest, has entered into a contract with the authority—
    - (i) under which goods or services are to be provided or works are to be executed, and
    - (ii) which has not been fully discharged,
  - (g) the panel member is not a current or prospective auditor of the authority, and
  - (h) the panel member has not, within the last 5 years, been—

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- (i) an employee of a person who is (at the given time) a current or prospective auditor of the authority,
  - (ii) a partner in a firm that is (at the given time) a current or prospective auditor of the authority, or
  - (iii) a director of a body corporate that is (at the given time) a current or prospective auditor of the authority.]
- [<sup>F2</sup>(4) Sub-paragraphs (5) to (6D) modify the application of sub-paragraph (2) in relation to—
- (a) cases where the relevant authority referred to in the opening words of sub-paragraph (2) (the “relevant authority concerned”) is a police and crime commissioner, the Mayor’s Office for Policing and Crime, another functional body or the Greater London Authority, and
  - (b) relevant authorities that are corporations sole (including, but not limited to, corporations sole mentioned in paragraph (a)).
- (5) Where the relevant authority concerned is the police and crime commissioner for an area, references to “the authority” include the chief constable for the area.
- (6) Where the relevant authority concerned is the Mayor’s Office for Policing and Crime, references to “the authority” include the Commissioner of Police of the Metropolis and the Greater London Authority.
- (6A) Where the relevant authority concerned is a functional body other than the Mayor’s Office for Policing and Crime, references to “the authority” include the Greater London Authority.
- (6B) Where the relevant authority concerned is the Greater London Authority, references to “the authority” include a functional body and the Commissioner of Police of the Metropolis.
- (6C) Where a relevant authority is a corporation sole, references to “a member” of the relevant authority are to a holder of that office of corporation sole.
- (6D) Sub-paragraph (6C) applies regardless of whether the relevant authority is—
- (a) the relevant authority concerned,
  - (b) a relevant authority treated under any of sub-paragraphs (5) to (6B) as included in a reference to the relevant authority concerned, or
  - (c) a relevant authority that is connected with an authority falling within paragraph (a) or (b), or with which such an authority is connected.
- (7) In sub-paragraph (2)—
- “elected mayor” has the same meaning as in Part 1A of the Local Government Act 2000;
  - “officer”, in relation to an entity other than a relevant authority, means a person elected or appointed as, or to, that entity.]
- (8) For the purposes of [<sup>F3</sup>sub-paragraph (2)(d)], a person (“R”) is a relative of another person (“P”) if R is—
- (a) P’s partner,
  - (b) P’s parent or grandparent,
  - (c) P’s son, daughter, stepson, stepdaughter or grandchild,
  - (d) P’s brother or sister,

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- (e) P's uncle, aunt, nephew or niece,
  - (f) a parent, son, daughter, brother or sister of P's partner, or
  - (g) a partner of any person within paragraphs (b) to (f),
- and for this purpose “partner” means a spouse, civil partner or someone a person lives with as if they were husband and wife or civil partners.

[<sup>F4</sup>(8A) For the purposes of sub-paragraph (2)(f) to (h)—

“body in which the panel member has a beneficial interest” means a body in which the panel member is a partner, or of which the panel member is a director, or in the securities of which the panel member has a beneficial interest;

“current or prospective auditor”, in relation to a relevant authority, means—

- (a) the person appointed to act as the authority’s local auditor, or
- (b) a person who has made a bid, which has not been declined or withdrawn, for a contract of appointment as the authority’s local auditor;

“director” includes a member of the management committee or other directing body of a registered society, and a member of a limited liability partnership;

“registered society” means a registered society within the meaning of the Co-operative and Community Benefit Societies Act 2014;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.]

- (9) The Secretary of State may by regulations amend this paragraph so as to make provision about the members of a relevant authority's auditor panel who are or are not independent for the purposes of sub-paragraph (1).

#### Textual Amendments

- F1** Sch. 4 para. 2(2) substituted for Sch. 4 para. 2(2)(3) (12.11.2014) by [The Local Audit \(Auditor Panel Independence\) Regulations 2014 \(S.I. 2014/2845\)](#), reg. 1, **2(2)**
- F2** Sch. 4 para. 2(4)-(7) substituted (12.11.2014) by [The Local Audit \(Auditor Panel Independence\) Regulations 2014 \(S.I. 2014/2845\)](#), reg. 1, **2(3)**
- F3** Words in Sch. 4 para. 2(8) substituted (12.11.2014) by [The Local Audit \(Auditor Panel Independence\) Regulations 2014 \(S.I. 2014/2845\)](#), reg. 1 **2(4)**
- F4** Sch. 4 para. 2(8A) inserted (12.11.2014) by [The Local Audit \(Auditor Panel Independence\) Regulations 2014 \(S.I. 2014/2845\)](#), reg. 1, **2(5)**

#### Modifications etc. (not altering text)

- C1** Sch. 4 para. 2 modified (20.12.2023) by [The York and North Yorkshire Combined Authority Order 2023 \(S.I. 2023/1432\)](#), arts. 1(2), 33(2), **Sch. 5 para. 37(2)**

#### Commencement Information

- I1** Sch. 4 para. 2(9) in force at 4.4.2014 for specified purposes by [S.I. 2014/900](#), art. 2(i)
- I2** Sch. 4 para. 2 in force at 1.4.2015 in so far as not already in force by [S.I. 2015/841](#), **art. 3(h)**

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**Changes and effects yet to be applied to :**

- specified provision(s) amendment to earlier commencing S.I. 2015/841 by [S.I. 2016/675 art. 2](#)