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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Accounts and Audit Regulations 2003 (“the 2003 Regulations”).

Regulation 3 amends regulation 2 of the 2003 Regulations by the substitution of a new definition of “working day”. A new definition of “relevant body” has also been substituted which has the effect of bringing passenger transport executives within the 2003 Regulations. A new definition of “smaller relevant body” has been inserted and, together with the amendments to regulations 7 and 9 of the 2003 Regulations, provides that bodies with income or expenditure below £1 million usually need only produce an annual return. Those with an income or expenditure of £1 million or more must prepare a full statement of accounts. Regulation 3 also amends the definition of “responsible financial officer” in paragraph (2) of regulation 2 of the 2003 Regulations to add further relevant statutory provisions. A new paragraph (2A) is inserted into that regulation. It provides that any reference to a relevant body is to be read, in relation to a parish meeting, as a reference to the chairman of that meeting.

Regulation 4 amends regulation 4 of the 2003 Regulations to require the findings of reviews of the system of internal control (referred to in regulation 4(2) of those Regulations) to be considered by a committee of the relevant body, or by members of the body meeting as a whole. In regulation 4 of the 2003 Regulations (and regulations 6, 7, 8 and 9) references to “proper practices” have been changed to “proper practices in relation to accounts” and “proper practices in relation to internal control”, as appropriate to each case.

Regulation 5 corrects typographical errors in regulation 5 of the 2003 Regulations.

Regulation 6 amends regulation 6 of the 2003 Regulations to require bodies to review their system of internal audit once a year and for the findings of the review to be considered by a committee of the body, or by the body as a whole, as part of the consideration of the system of internal control referred to in regulation 4(3).

Regulation 7 deletes some of the provisions listed in regulation 7(1) of the 2003 Regulations and adds a reference to the firefighters' pension fund. A requirement to provide a note on the Dedicated Schools Grant is inserted into paragraph (2).

Regulation 8 inserts regulation 7A into the 2003 Regulations. Paragraph (1) of the inserted regulation provides for the statement of accounts of passenger transport executives to be no less informative than statements prepared under the Companies Act 1985 (this rule was previously included as regulation 5(3) of the Accounts and Audit (Passenger Transport Executives and the London Transport Executive) Regulations 1983). Paragraph (2) of the inserted regulation requires passenger transport executives to charge retirement benefits to a revenue account.

Regulation 10 amends regulation 9 of the 2003 Regulations so that smaller relevant bodies are required to prepare statement of accounts.

Regulation 11 amends regulation 10 of the 2003 Regulations to require the approval of the statement of accounts of smaller relevant bodies by June rather than September. This change is phased in over three years. A new paragraph (6) is added, specifying the procedure to be followed where a body does not approve its accounts.

Regulation 12 makes minor amendments to regulation 11 of the 2003 Regulations.

Regulation 13 amends regulation 12 of the 2003 Regulations so as to apply provisions equivalent to those in the amended regulation 11 to smaller relevant bodies. In particular it requires the publication

**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

of the statement of accounts of smaller relevant bodies by September rather December, but this change is phased in over three years.

Regulation 17 makes minor amendments to regulation 18 of the 2003 Regulations.

Regulation 18 makes a minor amendment to regulation 19 of the 2003 Regulations in relation to the reference to the annual letter to local government bodies.

Regulation 19 makes a minor amendment to regulation 20 of the 2003 Regulations in relation to joint committees.

Regulation 21 amends paragraph (2) of regulation 22 of the 2003 Regulations. Substituted regulation 6(2) to (4) has been included in the list of provisions. Failure to comply with any requirement of regulation 4(1) of the 2003 Regulations does not now give rise to the commission of an offence.

Regulation 22 revokes the Accounts and Audit (Passenger Transport Executives and the London Transport Executive) Regulations 1983.