

**2009 No. 473**

**LOCAL GOVERNMENT, ENGLAND**

**The Accounts and Audit (Amendment) (England)  
Regulations 2009**

<i>Made</i> - - - -	<i>3rd March 2009</i>
<i>Laid before Parliament</i>	<i>9th March 2009</i>
<i>Coming into force</i> - -	<i>31st March 2009</i>

The Secretary of State, in exercise of the powers conferred by section 27 of the Audit Commission Act 1998 (“the 1998 Act”)(a) and section 134(6) of the Greater London Authority Act 1999(b), and having consulted, in accordance with section 27(3) of the 1998 Act, the Audit Commission, such associations of local authorities as appear to the Secretary of State to be concerned and such bodies of accountants as appear to the Secretary of State to be appropriate, makes the following Regulations:

**Citation, commencement and application**

1.—(1) These Regulations may be cited as the Accounts and Audit (Amendment) (England) Regulations 2009 and shall, save for regulation 5, come into force on 31st March 2009.

(2) Regulation 5 shall come into force on 1st April 2009, and shall have effect in relation to accounts for the year beginning on that date and for subsequent years.

(3) These Regulations apply in relation to England only(c).

**Amendment of the Accounts and Audit Regulations 2003**

2. The Accounts and Audit Regulations 2003(d) are amended as set out in regulations 3 to 8.

**Interpretation and application**

3. In regulation 2(1) (interpretation and application) omit the words “, other than parish councils subject to any of the duties under Part 1 of the Local Government Act 1999 (best value authorities),” from the definition of “smaller relevant body”.

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(a) 1998 c. 18 which has been amended by the Local Government and Public Involvement in Health Act 2007 (c. 28).

(b) 1999 c. 29.

(c) The Secretary of State’s functions under the Audit Commission Act 1998, so far as exercisable in relation to Wales are now vested in the Welsh Ministers. They were previously transferred to the National Assembly for Wales by article 2 of the National Assembly for Wales (Transfer of Functions) Order 1999 SI 1999/672: see the reference to the Audit Commission Act 1998 in Schedule 1. By virtue of paragraphs 30 and 31 of Schedule 11 to the Government of Wales Act 2006 (c. 32) they were transferred to the Welsh Ministers.

(d) S.I. 2003/533, amended by S.I. 2006/564. There are other amendments which are not relevant to this instrument.

## **Internal drainage boards**

4. After regulation 7A (passenger transport executives) insert the following regulation—

### **“Internal drainage boards**

**7B.** For each year ending on or after 31st March 2009, an internal drainage board shall charge to a revenue account an amount equal to the retirement benefits payments and contributions to pension funds which are payable for that year in accordance with—

- (a) the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007(a); and
- (b) the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000(b) or the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006(c).”.

## **Signing and approval of statements of accounts**

5. In regulation 10 (signing and approval of statements of accounts etc) for paragraph (2) substitute—

“(2) Before the approval referred to in paragraphs (3) and (4) is given, the responsible financial officer of a relevant body shall—

- (a) in the case of a smaller relevant body which has prepared a record of receipts and payments, sign and date that record, and certify that it properly presents that body’s receipts and payments for the year to which the record relates;
- (b) in the case of any other smaller relevant body, sign and date the income and expenditure account and statement of balances, and certify that they present fairly the financial position of the body at the end of the year to which they relate and that body’s income and expenditure for that year;
- (c) in the case of any other relevant body, sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body’s income and expenditure for that year.”.

## **Publication of income and expenditure account and receipts and payments**

6. In regulation 12(1) (publication of income and expenditure account and receipts and payments) omit the words “of that meeting”.

## **Written notice of proposed objection**

7. In regulation 17 (written notice of proposed objection)—

- (a) omit “proposed” from the heading; and
- (b) in paragraph (1)—
  - (i) for “a proposed” substitute “an”; and
  - (ii) for “proposes to rely” substitute “relies”.

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(a) S.I.2007/1166

(b) S.I.2000/1410, amended by S.I. 2001/3649, 2002/769, 2003/1022 and 2005/3069

(c) S.I.2006/2914

**Extraordinary audit**

8. In regulation 21 (extraordinary audit) omit the words “attend before the auditor and”.

Signed by authority of the Secretary of State for Communities and Local Government

3rd March 2009

*John Healey*  
Minister of State  
Department for Communities and Local Government

## EXPLANATORY NOTE

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

These Regulations amend the Accounts and Audit Regulations 2003 (SI 2003/533) (“the principal regulations”). The principal regulations apply in relation to England only.

Regulation 3 amends regulation 2(1) of the principal regulations to remove the reference to parish councils that are best value authorities from the definition of “smaller relevant body”. This reflects amendments to the Local Government Act 1999 (c.27) made by section 136 of Local Government and Public Involvement in Health Act 2007 (c.28) (“the 2007 Act”) (parish councils and community councils etc not to be best value authorities).

Internal Drainage Boards, which are responsible for the drainage of land in some parts of the country under the Land Drainage Act 1991 (c.59), are moving to prepare their annual accounts on a basis which fully recognises the future pension liability that has accrued for that year in respect of their employees. In the accounting practices followed by local authorities such liabilities are replaced by the employer contribution they are required to make to the pension fund and other amounts due to be paid in the year. Regulation 4 of these Regulations applies the same principle to drainage boards.

Local authorities were previously required by regulation 10 of the principal regulations, to prepare accounts that “present fairly” the financial position of the authority at the end of year and its income and expenditure for the year; or a record of receipts and payments that “properly presents” the receipts and payments for the year. Regulation 5 of these Regulations amends the principal regulations so as to require the responsible financial officer of an authority that must prepare an annual statement of accounts, to certify that the statement provides a “true and fair” view as regards the statement of accounts for the 2009-10 financial year and subsequent financial years.

Regulation 6 amends regulation 12(1) of the principal regulations by removing the words “of that meeting”, which are superfluous.

Regulations 7 and 8 amend regulations 17 and 21 of the principal regulations to reflect amendments to section 16 of the Audit Commission Act 1998 made by section 161 of the 2007 Act. The effect of the amendments made by the 2007 Act is to require objections at audit to be made in writing to the auditor, and to abolish a local government elector’s right to attend in person before the auditor.

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