

These notes refer to the Local Audit and Accountability Act 2014 (c.2) which received Royal Assent on 30 January 2014

LOCAL AUDIT AND ACCOUNTABILITY ACT 2014

EXPLANATORY NOTES

COMMENTARY

Part 4– Eligibility and Regulation of Local Auditors

Paragraph 5: Independence requirement

54. This paragraph substitutes section 1214 of the Companies Act 2006, for the purposes of the Act, to set out the circumstances where a person may not act as a local auditor on grounds of lack of independence. Under subsection (2), this includes persons who are officers or elected members of the relevant authority, individuals exercising executive authority as corporations sole (for example, Police and Crime Commissioners), or the partner or employee of such persons. Under subsection (4) this includes where the person is an officer or employee of an entity connected to the relevant authority. Subsection (6) provides the Secretary of State with a reserve power to make regulations regarding other connections between the relevant authority and the local auditor by virtue of which a person will be regarded as lacking independence.