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STATUTORY INSTRUMENTS

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**2011 No. 2576 (C. 92)**

**BUDGET RESPONSIBILITY**

The Budget Responsibility and National Audit  
Act 2011 (Commencement No.2) Order 2011

Made - - - - 27th October 2011

The Treasury make this Order in exercise of the powers conferred by section 29(3) and (4) of the Budget Responsibility and National Audit Act 2011<sup>(1)</sup>.

**Citation and interpretation**

1.—(1) This Order may be cited as the Budget Responsibility and National Audit Act 2011 (Commencement No.2) Order 2011.

(2) In this Order “the Act” means the Budget Responsibility and National Audit Act 2011.

**Provisions of the Act coming into force on 1st November 2011**

2. The following provisions of the Act come into force on 1st November 2011—

- (a) section 19 (auditing of companies);
- (b) section 20(1) and (2) (incorporation of the National Audit Office);
- (c) section 20(3) so far as necessary for bringing into force the provisions specified in paragraphs (d) and (e);
- (d) paragraphs 1 and 2(1) of Schedule 2 for the purpose of appointing the non-executive members of NAO;
- (e) Part 2 of Schedule 2 (non-executive members); and
- (f) section 25 (interpretation).

**Provisions of the Act coming into force on 1st January 2012**

3. The following provisions of the Act come into force on 1st January 2012—

- (a) section 13 (remuneration arrangements);
- (b) section 17 for the purpose of paragraph 10(2) of Schedule 3 to the Act (principles reflected in code of practice);

- (c) section 20(3) and Schedule 2 (National Audit Office) to the extent that those provisions are not brought into force by article 2;
  - (d) section 22 so far as necessary for bringing into force the provisions specified in paragraphs (e), (f) and (g);
  - (e) the following paragraphs of Schedule 3 (relationship between NAO and Comptroller and Auditor General)—
    - (i) paragraph 1 (strategy);
    - (ii) paragraph 6(1) and (2) (delegation of Comptroller and Auditor General’s functions);
    - (iii) paragraphs 10 to 12 (code of practice);
  - (f) paragraph 2(1), (3) and (4) and paragraph 3 of Schedule 3 for the purposes of—
    - (i) approving the provision of services under paragraph 3(1) of that Schedule; and
    - (ii) determining the maximum amount of resources that the Comptroller and Auditor General may require for the function of providing those services;
  - (g) paragraph 8(1), (2) and (3) of Schedule 3 for the purpose of preparing a scheme for charging audit fees;
  - (h) section 23 for the purpose of authorising NAO’s expenditure for the first financial year;
  - (i) section 26(1) so far as necessary for bringing into force the provisions specified in paragraph (j); and
  - (j) the following paragraphs of Schedule 4 (transitional provision relating to Part 2)—
    - (i) paragraph 1 (transfer of property etc);
    - (ii) paragraph 5 (old Comptroller and Auditor General to continue to be Comptroller and Auditor General);
    - (iii) paragraph 9 (NAO’s procedural rules before rules made under paragraph 18 of Schedule 2).
4. During the period starting on 1st January 2012 and ending on 31st March 2012 the provisions brought into force by article 3, except paragraph 5 of Schedule 4, apply as if—
- (a) section 11(1) of the Act (office of Comptroller and Auditor General) and section 12 of the Act (status etc) came into force on 1st January 2012; and
  - (b) an order had been made under paragraph 5(4) of Schedule 4 to the Act appointing 1st January as the appointed day.

#### **Provisions of the Act coming into force on 1st April 2012**

5. The provisions of Part 2 of the Act, to the extent that they are not brought into force by articles 2 and 3, come into force, or to the extent that they are not fully in force, come fully into force on 1st April 2012.

#### **Saving for section 4(4) of the National Audit Act 1983**

6. Section 4(4) of the National Audit Act 1983<sup>(2)</sup> (expenses and accounts of National Audit Office) continues to have effect for the purpose of preparing resource accounts for the NAO, of the kind specified in that section, for the financial year that commenced on 1st April 2011.

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(2) 1983 c.44. Section 4(4) is repealed by paragraph 13(1) of Schedule 5 to the Act, which is brought into force by article 5 of this Order.

27th October 2011

*Angela Watkinson*  
*Michael Fabricant*  
Two of the Lords Commissioners of Her  
Majesty's Treasury

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

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## EXPLANATORY NOTE

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

This Order brings into force Part 2 of the Budget Responsibility and National Audit Act 2011 (c. 4) (“the Act”).

Article 2 brings into force on 1st November 2011 provisions for the appointment of the person who chairs the National Audit Office (“NAO”) and of the other non-executive members of NAO. The appointment of the person who chairs NAO is made by the Queen following an address of the House of Commons. The person who chairs NAO makes recommendations for the appointment of the other non-executive members by the Public Accounts Commission.

Article 3 brings into force on 1st January 2012 provisions relating to the constitution and internal administration of NAO. They include provisions for the appointment of the employee members of NAO and for the preparation of a strategy and other documents required before NAO can start to exercise its functions under the Act. They also include provision for making an order appointing a day on which the person who is the Comptroller and Auditor General immediately before that day continues to be the Comptroller and Auditor General and is treated as having been appointed to that office under the Act.

The effect of article 4 is that the Comptroller and Auditor General is treated on 1st January 2012 as having been appointed to that office under the Act. But this is only for the purpose of enabling the office-holder to take part (as prescribed by the Act) in preparations that have to be made under provisions commenced by article 3.

Article 5 brings into force on 1st April 2012 provisions of Part 2 of the Act not already in force (or fully in force) on that date. These provisions include provisions relating to the exercise and financing of the national audit functions conferred by the Act on the new Comptroller and Auditor General and NAO. Article 6 makes a saving to enable resource accounts to be prepared for the financial year that commenced on 1st April 2011.

## NOTE AS TO EARLIER COMMENCEMENT ORDERS

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

<i>Provision</i>	<i>Date of Commencement</i>	<i>S.I.No.</i>
Sections 1, 2 and 10	23.3.2011	2011/892 (C.36)
Section 3 and Schedule 1	4.4.2011	2011/892 (C.36)
Sections 4 to 9	4.4.2011	2011/892 (C.36)

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