



Audit Commission Act 1998

1998 CHAPTER 18

PART II

ACCOUNTS AND AUDIT OF PUBLIC BODIES

Miscellaneous

31 Companies related to Passenger Transport Executives

- (1) Subject to subsection (2), where a Passenger Transport Executive have a subsidiary they shall exercise their control over it so as to ensure that it appoints only auditors who—
 - (a) are approved by the Commission for appointment as the subsidiary's auditors, and
 - (b) are qualified for the appointment in accordance with section 25 of the Companies Act 1989.
- (2) Where a company would, if an Executive and any other body or bodies subject to audit were a single body corporate, be a subsidiary of that body corporate—
 - (a) subsection (1) does not apply, but
 - (b) it is the joint duty of the Executive and the other body or bodies concerned to exercise such control over the company as the Executive are required by subsection (1) to exercise over a subsidiary of theirs.
- (3) In this section “subsidiary” means a subsidiary within the meaning of section 736 of the Companies Act 1985.