



Defence Reform Act 2014

2014 CHAPTER 20

PART 2

SINGLE SOURCE CONTRACTS

Transparency

23 Records

- (1) Single source contract regulations must contain provision requiring a person (“P”) to keep relevant records.
- (2) “Relevant records” means accounting and other records (whether in hard or electronic form)—
 - (a) which P may reasonably be expected to keep, and
 - (b) which are sufficiently up-to-date and accurate for use by the Secretary of State or an authorised person for any of the purposes listed in subsection (3).
- (3) Those purposes are—
 - (a) auditing reports provided by P under section 24 or 25;
 - (b) where P is a primary contractor, verifying—
 - (i) whether a cost of P is an allowable cost,
 - (ii) the reason for any difference between an estimated and actual allowable cost of P, or
 - (iii) any other matter relating to the price payable to P under a qualifying defence contract;
 - (c) where P is a primary contractor, monitoring P's performance of the obligations to which it is subject under a qualifying defence contract;
 - (d) where P is a primary contractor, determining whether a contract between P and another person is a qualifying sub-contract.
- (4) The regulations may provide for the requirement to keep relevant records—

Changes to legislation: Defence Reform Act 2014, Section 23 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (a) to begin at a time specified by or determined in accordance with the regulations (which may be before a qualifying defence contract is entered into), and
 - (b) to end at a time so specified or determined.
- (5) The regulations may provide—
- (a) for the Secretary of State or an authorised person to be entitled to examine relevant records where reasonably required for a purpose listed in subsection (3);
 - (b) for the Secretary of State or an authorised person to require P to make copies available (in hard or electronic form) for the purpose of enabling relevant records to be examined;
 - (c) for any entitlement to examine relevant records to be exercisable subject to provision in the regulations—
 - (i) about the times at which relevant records may be examined, and
 - (ii) about notice to be given before they may be examined;
 - (d) for P to be required to comply with any reasonable request by the Secretary of State or an authorised person for further information or explanation relating to relevant records (whether after examination of the records by virtue of paragraph (a) or otherwise).
- (6) The SSRO may, on an application by P, review the way in which the Secretary of State or an authorised person has acted in exercising any function by virtue of subsection (5).
- (7) If, on a review under subsection (6), the SSRO considers that the Secretary of State or an authorised person has acted unreasonably in exercising the function, the SSRO may make a declaration to that effect.

Commencement Information

- I1** S. 23 in force at 14.7.2014 for specified purposes by S.I. 2014/1751, art. 4(h)
- I2** S. 23 in force at 5.12.2014 in so far as not already in force by S.I. 2014/3162, art. 3(c)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 25(8A) inserted by [2023 c. 54 Sch. 10 para. 13\(3\)](#)