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## EXPLANATORY NOTE

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

This Order transfers property, rights and liabilities from the Audit Commission for Local Authorities and the National Health Service in England and Wales (“the Audit Commission”), to the Auditor General for Wales, in order to enable him to carry out the new functions conferred on him by the Public Audit (Wales) Act 2004 (“the Act”). The most significant effect of the new functions is that the Auditor General for Wales (“the Auditor General”) will, from the coming into force of the Act, exercise most of the functions currently exercised in Wales by the Audit Commission. The Order is to take effect on 1 April 2005 (“the transfer date”).

Article 2 of, and Schedule 1 to, the Order deal with leasehold property.

Article 3 deals with moveable property.

Article 4 contains provisions which apply to both articles 2 and 3. Paragraphs (1) and (2) exclude certain rights and liabilities from the scope of the transfer. Paragraph (3) provides that the Auditor General will reimburse the Audit Commission for monies paid out by it before the transfer date to meet liabilities which will not crystallise, in whole or in part, until after that date.

Article 5 provides that fees received by the Audit Commission for audit and inspection work which has not been completed by the transfer date are to be handed over to the Auditor General. This transfer is to take place after the transfer date, partly on 19 April 2005, partly on or before 30 June 2005.

Article 6 provides for the transfer to the Auditor General of a portion of the Audit Commission’s reserves, corresponding to reserves built up from the Commission’s work in Wales. This transfer is likely to take place after the transfer date, and must do so by 31 December 2005.

Article 7, and Schedule 2, deal with the transfer of staff.

Article 8 is also concerned with staff. It provides for the Audit Commission to reimburse the Auditor General (by 30 September 2005) for the amount of any bonuses paid, after the transfer date, to those of its staff who transfer to the latter’s employ, where the bonus represents a reward for performance in the six-month period before that date.

Article 9 concerns intellectual property, such as training packages, created by or for the Audit Commission before the transfer date. It gives the Auditor General the right to use such property for an unlimited time, free of charge. However, the Auditor General will not be entitled to grant any third party rights over the property.

Article 10 contains provisions ensuring that documents wholly concerning property, rights and liabilities which are to transfer under the Order, will also transfer. In such cases a right of access for the Audit Commission is created. In cases where documents deal both with property etc. that is to transfer and with property etc. that will not, a right of access for the Auditor General is created.

Copies of the documents and plans listed in Schedule 1 to the Order may be inspected during office hours at the Audit Commission Estate Management Division, Westward House, Lilm Kiln Close, Stoke Gifford, Bristol BS34 8SR.