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STATUTORY INSTRUMENTS

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**2015 No. 184**

**The Local Audit (Smaller Authorities) Regulations 2015**

**PART 2**

**Specified person**

**Specification of a person to appoint local auditors**

**3.—**(1) The Secretary of State may, in accordance with regulation 4, specify a person to appoint a local auditor to audit the accounts of an opted in authority.

(2) The Secretary of State may specify different persons in relation to different classes of smaller authorities.

**Procedure for specifying a person to appoint local auditors**

**4.—**(1) The specification of a person must be in writing and may, but need not, specify a date when the specification ends.

(2) The Secretary of State must publish the relevant details of any specified person—

- (a) on a website;
- (b) in the London Gazette.

(3) The relevant details are—

- (a) the person's name;
- (b) the person's registered address (if any);
- (c) the person's address for correspondence; and
- (d) details of the class of smaller authorities in relation to which that person is the specified person, if the class is not all smaller authorities.

**Ending specification**

**5.—**(1) The Secretary of State may end the specification of a specified person in accordance with this regulation.

(2) Before ending the specification, the Secretary of State must—

- (a) consult such smaller authorities as the Secretary of State considers have an interest;
- (b) consult such associations of smaller authorities or relevant authorities as appear to the Secretary of State to have an interest.

(3) The Secretary of State must—

- (a) give notice to the specified person of the ending of the specification, giving—
  - (i) the date on which the specification is to end,
  - (ii) reasons for ending the specification;

- (b) publish notice of the ending of the specification—
    - (i) on a website, and
    - (ii) in the London Gazette;
  - (c) make arrangements for notifying opted in authorities of the ending of the specification.
- (4) The Secretary of State may make arrangements under paragraph (3)(c) by requiring the specified person to notify opted in authorities.

### **Consequences of end of specification**

- 6.—(1) If the Secretary of State gives notice to a specified person under regulation 5(3)(a), the Secretary of State may, either before or after (or both before and after) the specification ends—
- (a) exercise the functions of the specified person arising by virtue of these Regulations;
  - (b) transfer rights and liabilities of the specified person arising by virtue of these Regulations to—
    - (i) the Secretary of State; or
    - (ii) another specified person.
- (2) The Secretary of State may transfer some rights and liabilities under paragraph (1)(b) to the Secretary of State and some to another specified person.
- (3) The specified person to whom notice is given under regulation 5(3)(a) must—
- (a) disclose all its rights and liabilities arising by virtue of these Regulations to the Secretary of State;
  - (b) co-operate with the Secretary of State and any other specified person for the purpose of ensuring an audit of an opted in authority is not adversely affected.

### **Additional functions of specified person**

7. A specified person must—
- (a) keep a record of—
    - (i) authorities which are within the class of authorities to which an invitation under regulation 10 must be issued, and
    - (ii) newly established authorities to which it must give notice under regulation 16;
  - (b) publish and keep up to date, on a website—
    - (i) the records mentioned in sub-paragraph (a), and which of the authorities are opted in authorities;
    - (ii) the contact details for the auditor appointed to each opted in authority other than an exempt authority;
  - (c) design and implement appropriate systems to—
    - (i) oversee issues of independence of any auditor which it has appointed, arising both at the point of appointment and when undertaking audit work;
    - (ii) monitor compliance by a local auditor against the contractual obligations in an audit contract;
    - (iii) resolve disputes or complaints from—
      - (aa) local auditors, opted in authorities and local government electors relating to audit contracts and the carrying out of audit work by auditors it has appointed;

(bb) authorities regarding the refusal of a request to become an opted in authority under regulation [15](#).