

Financial Reporting Council

THE LOCAL AUDITORS (REGISTRATION) INSTRUMENT 2015

FRC 02/2015

Powers exercised

- A. The Financial Reporting Council makes this instrument in exercise of the power conferred upon the Secretary of State by section 1239 of the Companies Act 2006 (c.46), as applied in relation to local audits by Section 18 and paragraphs 1, 2 and 14 of Schedule 5 to the Local Audit and Accountability Act 2014 (“the Act”), to make regulations requiring the keeping of a register of the persons eligible for appointment as a local auditor.
- B. The power to make such regulations is concurrently exercisable by the Financial Reporting Council by Article 2 of The Local Audit (Delegation of Functions) and Statutory Audit (Delegation of Functions) Order 2014¹, which came into force on 19 August 2014 for the purpose of the transfer.
- C. This instrument is made by the Financial Reporting Council subject to the provisions of The Local Audit (Delegation of Functions) and Statutory Audit (Delegation of Functions) Order 2014 and Schedule 13 of the Companies Act 2006, as applied in relation to local audits by Section 18 and paragraphs 1, 2 and 14 of Schedule 5 to the Act.

Citation, commencement and interpretation

1. (1) This instrument may be cited as the Local Auditors (Registration) Instrument 2015.
(2) This instrument comes into force on 1 July 2015
(3) In this instrument

“business day” in relation to a recognised supervisory body means a day that is not a Saturday or Sunday, Christmas Day, Good Friday or any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom in which it has its principal office.

“maintaining body” means the body responsible for the keeping of the register.

“network” means a larger structure to which the firm belongs and which is aimed at co-operation and –

- (a) is clearly aimed at profit- or cost-sharing; or
- (b) shares common ownership, control or management; or
- (c) has common quality control policies and procedures; or
- (d) has a common business strategy; or

¹ SI 2014/2009

- (e) has the use of a common name; or
- (f) shares significant professional resources.

“recognised supervisory body” has the same meaning as in Schedule 10 to the Companies Act 2006, as it is applied to local audits by Section 17 and paragraphs 1, 2 and 28 of Schedule 5 to the Act.

Recognised supervisory bodies to keep a register of persons eligible for appointment as local auditors

2. The recognised supervisory bodies, or if there is only one recognised supervisory body, that body, shall cooperate to maintain a single register of persons eligible for appointment as a local auditor in electronic form in accordance with the following regulations of this instrument.

What the register is to contain

3. The register must contain the information set out –
 - (a) in Schedule 1 to this instrument in relation to a person eligible for appointment as a local auditor who is an individual; and
 - (b) in Schedule 2 to this instrument in relation to a person eligible for appointment as a local auditor which is a firm.

How the register is to be maintained and inspected

4. (1) The maintaining body shall make it available for inspection by electronic means.

(2) The maintaining body shall ensure that the information contained in the register may be inspected in each of the following ways-
 - (a) alphabetically by name of person;
 - (b) by reference to individuals or firms;
 - (c) by reference to registration numbers;
 - (d) by reference to recognised supervisory bodies; and
 - (e) by address
(3) Information on the register relating to a person may be excluded from being made available for inspection to the extent that the making of the information so available would create or be likely to create a serious risk that an individual, or any other person, would be subject to violence or intimidation.

Obligations of recognised supervisory bodies with respect to maintenance of the register

5. (1) Where there is more than one recognised supervisory body they shall co-operate with each other recognised supervisory body for the purpose of ensuring that each enter on the register the information required by this instrument in respect of each individual or firm eligible under the rules of such body for appointment as a local auditor.

(2) It is the duty of each recognised supervisory body to send in electronic form to the maintaining body for entry on the register the information specified in paragraph (1) above within 28 days of approval by the RSB of a person eligible for appointment as a local auditor.

(3) It is the duty of each recognised supervisory body to send in electronic form to the maintaining body for entry on the register any changes to that information, including that relating to persons who became eligible for appointment as local auditors on or after that date.

(4) It is the duty of each recognised supervisory body to take reasonable care to ensure that the information sent by it under paragraphs (2) and (3) above is accurate and correct and that, in the case of information required under paragraph (3), it is sent to the maintaining body within the period of 10 business days beginning with the day on which the body becomes aware of the relevant change.

Duty of recognised supervisory body to provide access to the register

6. (1) Each recognised supervisory body shall provide at its principal office in the United Kingdom, facilities by which any person may inspect the register by electronic means, at any reasonable time during a business day.

(2) Any person inspecting the register through the facilities referred to in paragraph (1) may require a copy of an entry on the register relating to a particular individual or firm.

(3) The recognised supervisory body providing the facilities referred to in paragraph (1) may charge a person a sum not exceeding £1 for a copy of an entry on the register.

Duty to provide updated information

7. Any person eligible for appointment as a local auditor must take all reasonable steps to notify the recognised supervisory body, by virtue of whose rules the person is eligible for appointment as a local auditor, without undue delay, of any information necessary to ensure that the information in the register relating to that person is correct.

By Order of the Board
23 April 2015

Signed on behalf of the Board

SCHEDULE 1
Regulation 3(a)

In relation to an individual the register is to contain the following information:-

- a) His name and address;
- b) His registered number;
- c) The name and address of the recognised supervisory body under whose rules he is eligible for appointment as a local auditor;
- d) If he is responsible for local audit work on behalf on any firm, the firm's name, address, registered number and if it has a website, its address.

SCHEDULE 2
Regulation 3(b)

In relation to a firm the register is to contain the following information:-

- a) Its name and address;
- b) Its registered number;
- c) The address of each of its offices in which it carries out local audit work;
- d) Information as to how the firm is to be contacted, the primary contact person and, if it has a website, its address;
- e) The name, business address and registration number of each individual responsible for local audit work on behalf of the firm;
- f) Its legal form:
 - i. In the case of a limited liability partnership the name and business address of each member of the partnership,
 - ii. In the case of a body corporate, other than a limited liability partnership, the name and business address of each person who is a director of the body or holds any shares in it,
 - iii. In the case of a corporate sole the name and address of the individual for the time being holding the office by the name of which he is the corporate sole,
 - iv. In the case of a partnership, the name and business address of each partner; and

references in this paragraph to a limited liability partnership, a body corporate, a corporation sole or a partnership include references to any comparable undertaking incorporated in or formed under the law of any country or territory outside the United Kingdom.

- g) The name and address of the recognised supervisory body under whose rules it is eligible for appointment as a local auditor;
- h) In the case of a firm which is a member of a network:
 - i. The name of the network
 - ii. A list of the names and addresses of the other members of that network and of the affiliates of all members of that network or a reference to the address of a website or any other place where that information is available to the public;