STATUTORY INSTRUMENTS

1974 No. 1380

LOCAL GOVERNMENT, ENGLAND AND WALES

The Audit (Recommended Fees) Regulations 1974

Made - - - *7th August* 1974

Coming into Operation *13th September* 1974

The Secretary of State for the Environment, after consulting such bodies representative of local authorities as appear to him to be concerned, in exercise of his powers under section 163 of the Local Government Act 1972(a) and of all other powers enabling him in that behalf, hereby makes the following regulations:—

1. These regulations may be cited as the Audit (Recommended Fees) Regulations 1974, and shall come into operation on 13th September 1974.

2.—(1) The Interpretation Act 1889(b) shall apply for the interpretation of these regulations as it applies for the interpretation of an Act of Parliament.

(2) In these regulations—

"the Act of 1972" means the Local Government Act 1972;

"financial statement" means the financial statement required by regulations made under section 166 of the Act of 1972; and

"rate income" includes any charges collectable by or on behalf of a water authority, being charges assessed by reference to the rateable or annual value of premises, but does not include the income from any drainage rate.

3. Subject to the following provisions of these regulations, the recommended fee in respect of the audit of the accounts of a body whose accounts are required to be audited in accordance with Part VIII of the Act of 1972 shall be the fee calculated in accordance with the Schedule to these regulations.

4. For the purposes of the said Schedule, the aggregate of net income and expenditure of a body shall be calculated by deducting from the aggregate of total income and expenditure included in the financial statement of the body sums corresponding to the following items included in that statement, namely—

(*a*) receipts from loans;

(*b*) half the amount of capital expenditure;

(*c*) half the rate income, plus 25% of the excess of rate income over £2 million, plus a further 15% of the excess rate income over £20 million.

(*d*) amounts payable or receivable by virtue of precepts;

(a) 1972 c. 70.

(b) 1889 c. 63.

(*e*) amounts payable or receivable by virtue of the reimbursement of loan charges in respect of transferred services;

(*f*) grants from Government Departments;

(*g*) amounts payable to or receivable from the Secretary of State under paragraphs 17 or 18 of Schedule 1 to the Housing Finance Act 1972(**a**);

(*h*) amounts payable to or receivable from a Government Department, or a body whose accounts are required to be audited in accordance with Part VIII of the Act of 1972, in reimbursement of the net expenditure incurred or in payment over of the net income raised or collected in respect of functions carried out on an agency basis for that Department or body;

(*i*) income raised or collected or expenditure incurred on an agency basis for the body by another body whose accounts are required to be audited in accordance with Part VIII of the Act of 1972;

(*j*) amounts included in the aggregate of total income and expenditure in respect of transfers between accounts;

(*k*) any other items of such descriptions as the Secretary of State may determine.

5. Except in the case of the audit of the accounts of a local authority, parish meeting, water authority or the National Water Council, the fee calculated in accordance with the Schedule hereto shall be reduced by 20% of the amount by which the fee so calculated exceeds £200.

6. Where, by virtue of section 154(5) of the Act of 1972, a resolution of a principal council or of the Common Council of the City of London makes different provision in relation to different accounts of the council or Common Council, the fee shall be calculated in accordance with the Schedule hereto as if there were only one auditor and shall be apportioned between the auditors in proportion to the amount of the aggregate net income and expenditure, as calculated in accordance with regulation 4 above, audited by each auditor, or in such other proportions as the auditors and the body concerned may agree.

7. Any question as to the interpretation of these regulations may be referred to and determined by the Secretary of State.

(**a**) 1972 c. 47.

SCHEDULE

Aggregate of net income and expenditure				Fee								
Not exceeding	£25			£3								
Exceeding	£25	but not exceeding	£200	£3	plus	£1	for each additional	£25	(or part thereof) in excess of the first			£25
„	£200	„	£2t.	£10	„	£1	„	£100	„	„		£200
„	£2t.	„	£5t.	£28	„	£4	„	£1t.	„	„		£2t.
„	£5t.	„	£25t.	£40	„	£3	„	£1t.	„	„		£5t.
„	£25t.	„	£50t.	£100	„	£2	„	£1t.	„	„		£25t.
„	£50t.	„	£200t.	£150	„	£10	„	£10t.	„	„		£50t.
„	£200t.	„	£500t.	£300	„	£10	„	£20t.	„	„		£200t.
„	£500t.	„	£1m.	£450	„	£20	„	£50t.	„	„		£500t.
„	£1m.	„	£2m.	£650	„	£35	„	£100t.	„	„		£1m.
„	£2m.	„	£5m.	£1,000	„	£30	„	£100t.	„	„		£2m.
„	£5m.	„	£15m.	£1,900	„	£27	„	£100t.	„	„		£5m.
„	£15m.	„	£30m.	£4,600	„	£24	„	£100t.	„	„		£15m.
„	£30m.	„	£100m.	£8,200	„	£22	„	£100t.	„	„		£30m.
„	£100m.	„	£200m.	£23,600	„	£20	„	£100t.	„	„		£100m.
„	£200m.	„		£43,600	„	£18	„	£100t.	„	„		£200m.

t=thousand, and m=million

Signed by authority of
the Secretary of State.
7th August 1974.

T. H. Caulcott,
An Under Secretary in the
Department of the Environment.

EXPLANATORY NOTE

(*This Note is not part of the Regulations.*)

The Regulations prescribe the recommended fees in respect of the audit of accounts which are required to be audited in accordance with Part VIII of the Local Government Act 1972.

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