

Appendix 2 (TPC 09/03/16)**Extract from the Local Audit (Smaller Authorities) Regulations 2015****Exempt authorities**

- 9.—(1) A smaller authority may certify itself as an exempt authority for a financial year if— (a) the qualifying condition for that authority and that financial year in paragraph (2) is met; (b) the financial year is not one of the first three years of the authority's existence; and (c) none of the relevant circumstances in paragraph (3) apply in relation to the keeping of the accounts for the preceding financial year or to the audit of those accounts.
- (2) The qualifying condition is met for an authority and a financial year if—
- (a) the higher of the authority's gross income for the year and its gross expenditure for the year does not exceed or
 - (b) the higher of the authority's gross receipts and gross payments for the year does not exceed 25,000.
- (3) The relevant circumstances are—
- (a) the local auditor has made a public interest report(a) in respect of the authority or any entity connected with it;
 - (b) the local auditor has made a recommendation to the authority, relating to the authority or any entity connected with it;
 - (c) the local auditor has issued an advisory notice under paragraph 1(1) of Schedule 8 to the Act, and has not withdrawn the notice;
 - (d) the local auditor has commenced judicial review proceedings under section 31(1) of the Act, and the proceedings have not been withdrawn nor has the court found against the auditor;
 - (e) the local auditor has made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration; or
 - (f) the court has declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.